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ABSTRACT

This document reports the oral and written testimony of witnesses at a Congressional hearing held to examine H.R. 3266, the Workforce 2000 Job Training Partnership Act (JTPA) Amendments of 1989. The bill is aimed at reforming JTPA targeting and training efforts. It focuses on critical support services and targeting issues and includes provisions to preserve funding and services for older worker training, to provide linkages between JTPA and Older Americans' Act programs, to provide child care services for JTPA trainees, to provide standard government accountability in the JTPA program, to develop critical labor shortage and wage data for a training base, to reform the Indian JTPA training program, and to update the Migrant Farmworker Program administration. Witnesses included representatives of education and training contractors, of Indian training coalitions, Congresspersons and Senators, and day care programs, state employment programs, and older workers, among others. Witnesses testified how JTPA is now working and what changes proposed by H.R. 3266 would affect them; they suggested other changes that should be made and reported how their constituents viewed the proposals. (KC)

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HEARING ON H.R. 3266, THE WORKFORCE 2000 JOB TRAINING PARTNERSHIP ACT AMENDMENTS OF 1989

HEARING

BEFORE THE

SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

HEARING HELD IN WASHINGTON, DC, SEPTEMBER 19, 1989

Serial No. 101-55

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HEARING ON H.R. 3266, THE WORKFORCE 2000 JOB TRAINING PARTNERSHIP ACT AMENDMENTS OF 1989

TUESDAY, SEPTEMBER 19, 1989

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES,
COMMITTEE ON EDUCATION AND LABOR,
Washington, DC.

The committee met, pursuant to notice, at 1:20 p.m., in Room 2175, Rayburn House Office Building, Hon. Matthew G. Martinez [Chairman] presiding.

Members present: Representatives Martinez, Bartlett, and Hawkins.

Staff present: Maxine Grant, administrator; Eric Jensen, staff director; Dan Adcock, legislative associate; Terry Deshler, legislative assistant/clerk; Tammy Harris, legislative assistant, Subcommittee on Employment Opportunities; Terri Schroeder, professional staff member, Education and Labor Committee; and Tracy Hatch, minority staff.

Chairman MARTINEZ. Let me have your attention. We are waiting for several members to arrive. I am notified that they are on their way. I think what I will do is go ahead and start the hearing.

At this particular time I might as well invite the first panel to come forward.

Let me introduce the first panel. We're waiting for two people that will be a part of the first panel, colleagues of mine, Frank J. Guarini, Member of Congress from the 14th District of New Jersey and the Honorable William J. Hughes, Member of Congress from the 2nd District of New Jersey.

Joining them at the table is Mr. Dan Schulder, National Council on Aging from Washington, D.C.; Ms. Ina Davis, Associate Director of Medishare Health and Education Learning Programs, Edison, New Jersey; and Ms. Alice Obelleiro, Senior Employment Coordinator, New Jersey Division on Aging, New Jersey Department of Community Affairs, Trenton, New Jersey.

It seems like we have someone else joining us, Ms. Dana Berry.

Mr. SCHULDER. Mr. Chairman, there is also a second person testifying with the National Council on the Aging. It's Gerri Garvin who is the chairperson of the National Association of Older Worker Employment Services. Mrs. Garvin.

Chairman MARTINEZ. Thank you. We have Ms. Dana Berry, Project Director, Union City Day Care Program, Inc., Union City, New Jersey.

Today's meeting of the House Subcommittee on Employment Opportunities is called to receive testimony on H.R. 3266, the Workforce 2000 JTPA Amendments of 1989.

As the subcommittee with jurisdiction over employment training programs and over full employment and productivity policies of our nation, it is critical that we as a committee set policies that are coordinated with varied programs and systems at the local level. As responsible officials for the limited tax dollar at our disposal, we must insure that public dollars spent give us the best return for our investment.

It is in this spirit that we've worked with and heartily endorsed Chairman Hawkins' JTPA proposal of H.R. 2039 to reform JTPA targeting and quality training efforts. Chairman Hawkins is to be commended for his tireless effort to direct Federal training efforts towards the long-term needs of this country.

H.R. 3266 is a complementary bill to H.R. 2039 that I have introduced to additionally address some of the common concerns we share. To break the cycle of poverty and welfare dependency and reduce the drag on society, we need to and we must target the hardest to serve in our society for skills training. This includes the long-term unemployed, the school dropouts and the teenage single mothers. Therefore, H.R. 3266 focuses on some critical support services and targeting issues.

I have included provisions to preserve funding and services for older worker training, to provide linkages between JTPA and Older American's Act programs, to provide child care services for JTPA trainees, to provide standard government accountability in the JTPA program, to develop critical labor shortage and wage data for training base, to reform the Indian JTPA Training Program, and to update Migrant Farmworker Program administration.

H.R. 3266 is an additional effort to address some of the basic concerns that many in the training and client community had about the existing administration of the JTPA program.

There are many substantial JTPA reform bills which have been introduced by Chairman Hawkins, by the Administration and the Senate, the fundamental thrust of which I support. It is my sincere hope that the House comes out with the strongest and most comprehensive bill which gives the unskilled individual of our society the best support and training opportunities to help them become contributing workers of our workforce.

I look forward to hearing from our esteemed panel of witnesses before us today.

We'll start with Mr. Schulder.

[The prepared statement of Hon. Matthew G. Martinez follows:]

STATEMENT OF CHAIRMAN MATTHEW G. MARTINEZ, HEARING ON MGM'S JTPA AMENDMENTS, HR. 3266, TUESDAY, SEPT. 19, 1:00 PM., 2257 RAYBURN

TODAY'S MEETING OF THE HOUSE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES IS CALLED TO RECEIVE TESTIMONY ON HR. 3266, THE WORKFORCE 2,000 JTPA AMENDMENTS OF 1989.

AS CHAIRMAN OF THE SUBCOMMITTEE WITH JURISDICTION OVER THE EMPLOYMENT TRAINING PROGRAMS, AND OVER FULL EMPLOYMENT AND PRODUCTIVITY POLICIES OF OUR NATION, IT IS CRITICAL THAT WE SET POLICIES THAT ARE COORDINATED WITH VARIED PROGRAMS AND SYSTEMS AT THE LOCAL LEVELS. AS RESPONSIBLE OFFICIALS FOR THE LIMITED TAX DOLLARS AT OUR DISPOSAL, WE MUST ENSURE THAT PUBLIC DOLLARS SPENT GIVE US THE BEST RETURNS FOR OUR INVESTMENT.

IT IS IN THIS SPIRIT THAT WE HAVE WORKED WITH, AND HEARTILY ENDORSE CHAIRMAN HAWKINS' JTPA PROPOSAL, HR. 2039, TO REFORM JTPA TARGETING AND QUALITY TRAINING EFFORTS. CHAIRMAN HAWKINS MUST BE COMMENDED FOR HIS TIRELESS EFFORT TO DIRECT FEDERAL TRAINING EFFORTS TOWARD THE LONGTERM NEEDS OF THIS COUNTRY.

HR. 3266 IS A COMPLEMENTARY BILL TO HR. 2039 THAT I HAVE INTRODUCED TO ADDITIONALLY ADRESS SOME OF THE COMMON CONCERNS WE SHARE. TO BREAK THE CYCLE OF POVERTY AND WELFARE DEPENDENCY,

AND REDUCE THE DRAG ON SOCIETY, WE MUST TARGET THE HARDEST TO SERVE IN SOCIETY FOR SKILLS TRAINING. THIS INCLUDES THE LONGTERM UNEMPLOYED, THE SCHOOL DROPOUTS, AND THE TEENAGE, SINGLE MOTHERS.

THEREFORE, HR. 3266 FOCUSES ON SOME CRITICAL SUPPORT SERVICE AND TARGETING ISSUES. I HAVE INCLUDED PROVISIONS TO PRESERVE FUNDING AND SERVICES FOR OLDER WORKER TRAINING, TO PROVIDE LINKAGES BETWEENS JTPA AND THE OLDER AMERICANS ACT PROGRAMS, TO PROVIDE CHILD CARE SERVICES FOR JTPA TRAINEES, TO PROVIDE STANDARD GOVERNMENT ACCOUNTABILITY IN THE JTPA PROGRAM, TO DEVELOP CRITICAL LABOR SHORTAGE AND WAGE DATA FOR TRAINING BASE, TO REFORM THE INDIAN JTPA TRAINING PROGRAM, AND TO UPDATE MIGRANT FARMWORKER PROGRAM ADMINISTRATION.

HR. 3266 IS AN ADDITIONAL EFFORT TO ADRESS SOME BASIC CONCERNS THAT MANY IN THE TRAINING AND CLIENT COMMUNITY HAD ABOUT EXISTING ADMINISTRATION OF THE JTPA PROGRAM. THERE ARE MANY SUBSTANTIAL JTPA REFORM BILLS WHICH HAVE BEEN INTRODUCED BY CHAIRMAN HAWKINS, BY THE ADMINISTRATION AND THE SENATE, THE FUNDAMENTAL THRUST OF WHICH I SUPPORT. IT IS MY EARNEST HOPE

THAT THE HOUSE COMES OUT WITH THE STRONGEST AND MOST COMPREHENSIVE BILL WHICH GIVES THE UNSKILLED INDIVIDUALS OF OUR SOCIETY THE BEST SUPPORT AND TRAINING OPPORTUNITIES TO HELP THEM BECOME CONTRIBUTING WORKERS OF OUR WORKFORCE.

I LOOK FORWARD TO HEARING FROM OUR ESTEEMED PANEL OF WITNESSES BEFORE US TODAY.

STATEMENTS OF THE HONORABLE FRANK J. GUARINI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY; THE HONORABLE WILLIAM J. HUGHES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY; DAN SCHULDER, NATIONAL COUNCIL ON AGING, ACCOMPANIED BY GERRI GARVIN, CHAIRPERSON, NATIONAL ASSOCIATION OF OLDER WORKER EMPLOYMENT SERVICES; INA DAVIS, ASSOCIATE DIRECTOR, MEDISHARE HEALTH AND EDUCATION LEARNING PROGRAMS, ACCOMPANIED BY ROBERTA HOUSEMAN, ASSOCIATE DIRECTOR OF MEDISHARE, AND VIRGINIA FREEZON, FORMER DIRECTOR OF URBAN WOMEN'S CENTER; ALICE M. OBELLEIRO, SENIOR EMPLOYMENT COORDINATOR, NEW JERSEY DIVISION ON AGING, NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS; DANA BERRY, PROJECT DIRECTOR, UNION CITY DAY CARE PROGRAMS, INC., ACCOMPANIED BY HILDA MARTINEZ, CRISELIA PEREZ AND NICK PAPPAS

Mr. SCHULDER. Thank you very much, Mr. Chairman. My name is Dan Schulder and I am the Senior Public Policy Official with the National Council on the Aging. I am accompanied here today on my right by Gerri Garvin who is the Chairperson of the NCOA membership unit, the National Association of Older Worker Employment Services.

Mr. Chairman, our organization is engaged in a variety of services to older adults, everything from senior center services to long-term care, to housing and employment. For the last 40 years we have been engaged in a variety of employment and training programs, starting way back in the era of the Manpower Development and Training Act, and up to the present where we are one of the largest Title V Older American's Act contractors providing employment services to about 10,000 older workers annually in 63 projects and in 21 states.

We believe that as a national Title V contractor we have the most extensive set of relationships with three percent set-aside programs across the country, and I'd like to talk to you about that.

It is because of our long history in expanding job opportunities for older Americans that we are here to enthusiastically endorse your efforts to assure that JTPA services to older workers are maintained and expanded, and that effective measures are incorporated to enhance JTPA and Title V coordination and cooperation.

Mr. Chairman, NCOA has been involved, as I said, for over four decades in employment programs. It's our belief that because of the deep persistence of age bias in the labor market across the country that many of the Federal and state and local public and private employment and training programs have adopted that same set of biases and mirror those biases in the operations of their programs.

Mr. Chairman, I don't think in any one year of the CETA program the number of persons or proportion of persons in CETA over the age of 55 ever exceeded one percent. Over the years the Congress and many private and public groups around the country evaluated those programs, looked at them, and so when the Job Training Partnership Act was passed several years ago those organizations and those members of the Congress who were concerned about the responsiveness of these programs to older workers insert-

ed the three percent set-aside as a modest guess at what would be needed to continue the efforts started under CETA and needed in the years ahead.

We believe that the Congress was correct. The three percent program has shown itself to be a marked success across the Nation. There are literally hundreds of communities in which because of the three percent set-aside there are joint training programs and employment programs involving Title V, EDWAA, as well as the three percent program.

In fact, given the rate of growth in this program—if you want to look at the chart, Mr. Chairman, that is attached to our statement, the growth rate of this program is the most vigorous in all of the Job Training Partnership Act. We estimate that by the program year 1989–1990 is completed, that the program will have expended about $81 million of JTPA funds, and that's approximately one and a half times the annual allocation of that program.

It has caught hold. It has caught the imagination of the employment and training network around the country, and we think that if it were ever dismantled, it would be a great loss to this country.

Therefore, we endorse your proposal, Mr. Chairman, in Section 7 to assure a continuation of a funding set-aside at least equal to the funds available for the current year.

We wonder whether or not you might with the full committee or on the floor consider a firm number like seven percent. As we understand it, the adult Title JTPA will have about a $1.1 billion appropriation, or something close to that. At a seven percent set-aside, that would reserve about $77 million, which would be just a little bit less than what we think will be spent on the three percent program in the coming program year.

So, we would suggest that either your language, or a hard seven percent set-aside, might be useful to preserve the program and give it some modest expansion, especially as the adult appropriations for JTPA does arise.

We also support your intent in Section 7 to assure that the eligibility for one program doesn't interfere with the eligibility for the second. We would suggest that you might be able to simplify the language by saying eligibility for services under Title V of the Older American's Act shall be deemed as eligibility for programs under this Act, JTPA.

That's neat and simple, it doesn't get into comparative qualifications, and it would alert the whole network that they have to be responsive to the Title V program.

Lastly, we also support your proposed amendment on performance standards. There is a lot of flexibility in the way the Nation and the way the states implement performance standards under JTPA, but in most states and in most communities, part-time work doesn't count. The lower wages related to part-time work is a negative factor, and many of the programs, therefore, are worried about losing funds because of the performance standards if they recruit and try to serve older workers.

We think that those can be adjusted. We would hope that the Congress would mandate that the Department of Labor in adjusting those standards would take the advise and heed the advise of public and private agencies now engaged in older worker services.

Mr. Chairman, throughout the committee bill, Mr. Hawkins' bill, there are many, many provisions for exemplary programs for youth. Those are all needed and essential and they ought to go through.

We also think, however, that given the fact that almost a third of the workforce today are over the age of 45—36 million persons self-employed or employed—that a similar level of effort on behalf of older workers ought to be shown in the program.

While I'm not sure that this set of amendments this year could possibly stand it, it seems to me that the Congress might entertain the possibility of splitting the adult title of JTPA into two parts. The first part for people 23 through 39, younger workers and new entrants into the workforce. The other part, perhaps 40 percent of the appropriations for the adult title, for persons over the age of 40 and over the age of 50 and 60 and beyond.

We say that because the ADEA program, the Age Discrimination and Employment Act, identifies age 40 as the start of negative factors in terms of employment.

We have a few other recommendations for you, sir. We urge that the governors under this law retain the authority, as under current law, to determine the most effective use and pattern of an older worker set-aside. That could be a statewide program. They could simply move it to each SDA on formula, or they could fund an area of the state which needs this service, such as Los Angeles county which now has a similar kind of area-wide three percent set-aside program.

We think that older worker-serving agencies should be represented at the state and the PIC level in the whole JTPA program. We think they have a lot to offer the program.

Lastly, sir, we would hope that the Department of Labor would upgrade its reporting procedures so that we can see what happens to adults in this program, 30 to 39, 40 to 49, 50 to 54, up to 62 and beyond. It's very difficult to see how this program is working under the current reporting system in terms of age cohorts. It would not take a lot to get this additional information.

I would like to make a final note on this before Gerri Garvin would like to make her comments, Mr. Chairman.

There has been some discussion about percentage set-asides of participants versus dollars. Now, I've administered Job Training Partnership Act programs, MDTA programs, Neighborhood Youth Corps programs on my own. I've done it at the state level in New Jersey. I've done it in New York state and I've done it nationally.

I am absolutely convinced that a dollar set-aside, a funding set-aside, the knowledge that you have to spend these $50,000 or these $50 million on behalf of older workers is a far better administrative tool than a participant set-aside.

Unfortunately, when you look at the data on Table 2 of our attachment—if you look at the entire 78 percent JTPA program, only two percent of the enrollees outside of the three percent set-aside group were actually age 55 years of age and older.

We urge you in considering changes to the Job Training Partnership Act under Chairman Hawkins, who has joined you, that you

do not talk about a participant set-aside—it's too easy to fudge on those things—but a dollar set-aside.

Mr. Chairman, Gerri Garvin, the Chairwoman of the National Association of Older Worker Employment Programs would like to give you just a couple of other additional comments.

[The prepared statement of Dan Schulder follows:]

THE NATIONAL COUNCIL ON THE AGING, INC.
Since 1950 working to improve the lives of older Americans

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WORKFORCE 2000 JOB TRAINING PARTNERSHIP ACT AMENDMENTS OF 1989

TESTIMONY OF

DANIEL J. SCHEIDER
SENIOR PUBLIC POLICY ASSOCIATE
THE NATIONAL COUNCIL ON THE AGING, INC.

and

GERRI GARVIN
CHAIRPERSON
NATIONAL ASSOCIATION OF OLDER WORKER EMPLOYMENT SERVICES

BEFORE THE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES
COMMITTEE ON EDUCATION AND LABOR
U.S. HOUSE OF REPRESENTATIVES

Washington, D.C.

September 19, 1989

Chair Bea Mahler, 1st Vice Chair Florida Freeman, Esq.
2nd Vice Chair Daniel Knowles, Secretary Sylvia Yuan, Assistant Secretary Charles Schottland
Treasurer James Gunning, Assistant Treasurer Robert Pepper
President Dr. Daniel Thursz, ACSW

Mr. Chairman, my name is Daniel Schulder anbd I am the senior public policy officer of The National Council on the Aging. I am accompanied today by Ms. Garri Garvin, Chairperson of the NCOA membership unit, the National Association of Older Worker Employment Services (NAOWES).

NCOA is a private, non-profit organization working to meet the current and emerging needs of older persons through research, publications, programs and advocacy for public policies.

Our members are drawn from several thousand state and local public and non-profit agencies providing a range of services including employment assistance, education, senior center activities, long-term care, adult day care, housing, arts and humanities and intergenerational programming.

We are a national resource for program development, research, training and technical assistance on all aspects of aging.

For the record, Mr. Chairman, I should note that NCOA has been engaged in expanding employment and training opportunities for older Americans for almost 40 years. We have pioneered training for older workers since 1950 and we have been involved in every major Federal employment program including MDTA, the Concentrated Employment Program, CETA, EDA, Trade Adjustment Assistance and the JTPA program. In addition, we have worked for passage and expansion of the Age Discrimination in Employment Act during these same years.

We administer one of the largest Title V, Older Americans Act, national programs providing work and training to nearly 10,000 older workers annually in 63 projects in 21 states. Almost all of our local projects, including our major project in Los Angeles, have working agreements with their state and local JTPA counterparts. In fact, of all the Title V, National Contractors, the NCOA Title V program, SCSEP, has the largest number of partnerships between JTPA and Title V programs currently utilizing the 3% monies.

Our membership unit, NAOWES, has over 500 local and state older worker programs and organizations as members operating across the nation serving thousands of older workers in their 40s, 50s, 60s and above each week.

It is because of our long history and stake in expanding work opportunities for older Americans that we are here to enthusiastically endorse your efforts to assure that JTPA services to older workers are maintained and expanded and that effective measures are incorporated to enhance JTPA and Title V coordination and cooperation.

We of NCOA and NAOWES hope and expect that the full Committee will promptly consider and add your amendments to pending JTPA legislation. We would also like to offer some additional approaches toward full JTPA service to mature and older workers.

Mr. Chairman, there has been minimal JTPA-related testimony provided to this Committee and to the Senate in regard to older worker needs. That is why this hearing is so crucial. An exception to this paucity of information is the recent statement of Michael Tilles and Sally James provided to the full Committee earlier this month. That statement, "The Need for Targeted Job Training and Placement Programs for Older Workers" summarizes much of the case for a continued set-aside of JTPA older worker funds and we will quote from it today with the authors' knowledge. We will also provide to this Subcommittee a copy of that statement.

The Case for Targeting

Mr. Chairman, NCOA has been involved in the planning and implementation of employment programs for older workers for four decades. It is our belief that because of the deep persistence of age bias in the workplace, a bias which is mirrored in the operation of many or most public and private employment programs, none of the many national manpower programs of the past or present has achieved equity or efficiency in service to mature and older workers.

MDTA failed older persons as did CETA. The employment initiatives of the War on Poverty keyed on the young and the younger disadvantaged. There was good cause for this concentration because of the keen need of millions of young people for jobs and training. What was not justified was the

virtual exclusion of equally disadvantaged mature persons from these same programs.

It is no accident that the sector of greatest growth in the work of the Equal Employment Opportunity Commission is the Age Discrimination in Employment Act.

When the Congress created the Job Training Partnership Act it listened to organizations such as NCOA and it examined the evaluations of the Concentrated Employment and Training Act (CETA). Because of the previous failures of Federal and state employment and training programs to serve persons above the age of 40 or 50 and to encourage coordination with Title V, the Congress mandated a modest 3% set-aside of Title II-a JTPA funds for the exclusive use of workers over the age of 55.

We believe that the Congress was correct in requiring this limited set-aside. The 3% program has shown itself to be a marked success across the nation in state after state. In hundreds of communities there are linkages of 3% JTPA programs with Title V programs in service to thousands of older workers who would not have been served otherwise. Although the initial 3% program underspent JTPA program funds in the first two years, the rate of spending and the rate of program effectiveness has accelerated to the extent that the set-aside program is currently spending at the annual estimated rate of 134% (see attached Table I, Tilles and James). No other JTPA component can demonstrate such an acceleration of activity as the 3% program.

However, what is startling about this success story is the fact that almost three quarters of all JTPA participants age 55 and above came into the program through the tiny 3% set-aside. (see Table II, Tilles and James). The "mainstream" JTPA program, spending 78% of all funds (and excluding the 3% set-aside), showed only 2% of its enrollees (16,207 of 817,698 in 1987-1988) at ages 55 or above.

Only the mandated influence of the 3% set-aside prevents the entire JTPA program from being judged an abject failure in its service to older workers.

If the Congress fails to continue to require a minimal response to the desires of older workers for work and training, the new JTPA program is likely to be judged such a similar failure in the near term.

Thus, NCOA and NAOWES endorses your proposal in Section 7, (a) (2) to assure a continuation of a funding set-aside at least equal to the current year. We presume that the "amount available" refers to both the current allotment and to carry-over funds from previous 3% unspent allotments. However, because data indicate that current year expenditures of 3% funds is about $74 million, we would urge a reformulation of the former 3% set-aside requirement to a 7% set-aside of JTPA adult title funds. Such a 7% requirement would hold older worker expenditures to about $77 million based on a JTPA adult Title appropriation level of $1.1 billion. We are concerned that a lower percentage set-aside or a

freezing of older worker resources at current levels would represent a decrease in resources available across the nation, especially if adult JTPA appropriations rise in the near term. This decrease in resources will be occuring just at the time we know the aging workforce is expanding.

Eligibility

We also support your intent, in Section 7, (e), to achieve common eligibility standards for Title V and JTPA. We believe that another approach which might be simpler to administer would state, "(e) eligibility for services under Title V of the Older Americans Act shall be deemed as eligibility for programs under this Act."

We also support your proposed amendment to JTPA performance standards (Section 7, (c)) which would go far to easing the bias against older JTPA participants that operates in current standards. We believe that additional elements of performance standards applicable to mature and older workers be incorporated by the Department of Labor with the advice and assistance of organizations working in their behalf, especially in programs supported by Title V, JTPA and EDMAA.

Mr. Chairman, I should note that Mr. Hawkins' bill, H.R. 2039, contains numerous and needed references to special efforts in behalf of disadvantaged youth. We support those provisions. What we are saying today is that older adults, those above the age of 40, have similar needs for "exemplary" approaches to

employment barriers. Older workers have literacy needs and special counseling needs. They learn differently in training situations as compared to younger persons. Patterns of recruitment which work for younger persons often fail for displaced homemakers in their forties and fifties. Older workers often have skills that do not have to be relearned in a basic vocational class--but they need assistance in translating such skills for new job situations. They face age discrimination; younger workers do not.

In fact, Mr. Chairman, we believe that the Congress should still consider a division of the proposed adult JTPA Title. One part of the adult title should be devoted to the job and training needs of younger workers and newer job entrants below the age of 40. The rest of the Title, with perhaps 40% of the funds, should be earmarked for the use of workers 40 and above with special efforts continued for person above the age of 55.

Such a program, conducted at a scale which at state and local levels would affect overall employment and training policy, would reflect the true demographics of the American workforce. There are currently almost 36 million persons over the age of 45 in the workforce. That is nearly a third of all workers. That is a picture of our labor market future. Our employment and training programs should be taking note of these developments even beyond the need for a 7% set-aside.

Mr. Chairman, there are a number of other aspects of the JTPA program concerning older workers that we would like to present in summary fashion. They include:

1. We urge that the Governors retain the authority, as under current JTPA law and regulation, to determine the most efficient use and pattern of the older worker set-aside. In some cases, the Governor may decide to pass the funds down to the SDAs as an earmark on each adult JTPA area allotment. In other cases, as would fit such regions as the Los Angeles area or rural areas, the Governor may decide to award multi-SDA contracts as the most efficient use of funds. In other states, the Governor may decide to provide for a state-wide older worker program with linkages to all SDAs. Please continue the flexibility.

2. We urge that there be mandated representation for agencies serving the needs of older workers at PIC and state JTPA advisory levels. Such organizations will have much to offer in terms of technical information, local contacts, coordination with Title V, etc. We believe such representation is an obvious need.

3. We urge that the Congress require more explicit JTPA (and EDWAA) participant record keeping by age. We should know what persons are receiving JTPA services at ages 30 to 39, 40 to 49, 50 to 54, 55 to 62 and 63 and above. Currently we capture and/or publish data only in longer age ranges which makes it difficult to examine true patterns of service use and differentials based

on age. This data is not readily available for monitoring and planning purposes.

5. Section 203 of the Committee JTPA amendments posits "Additional Requirements for One-Half of Participants." This section targets persons with math and reading deficiencies, long-term dependency on public-assistance, and persons with a substantially limited or unsuccessful work history. We would add a fourth category "(D) Persons age 45 and above who have encountered barriers to employment related to age or occupational deficiencies."

Mr. Chairman, we would like to add a final note to this testimony. In the Senate we believe that there is some movement to restore the older worker set-aside at some level. There were discussions in the Senate regarding the possibility of a participant set-aside instead of a fund set-aside.

We firmly believe that a fund set-aside is the best and most accountable method of assuring adherence to a mandate. A fund set-aside is a better planning, reporting and administrative device. It is far more difficult to fudge dollar reports than it is to recruit and "serve" targeted individuals with minimal services. In addition, fund set-asides can serve as clear and present disciplines on the states and SDA to assure performance. We hope that in full Committee and/or on the floor you can support this position.

Thank you Mr. Chairman.

Chairman MARTINEZ. Ms. Garvin, before you start, let me recognize the chairman of the full committee who has just joined us. Since we did go into opening statements and the chairman was not here, let me ask at this time if the chairman would like to make any opening comments. Mr. Chairman.

Mr. HAWKINS. Thank you very much. I would not like to interrupt the witnesses. I am here to find out what it is you're doing in preparation for a JTPA hearing that we have, as you well know, scheduled for tomorrow. So, just proceed and not let me interrupt at all. Thank you.

Chairman MARTINEZ. All right. Thank you, Mr. Chairman. Ms. Garvin.

Ms. GARVIN. Mr. Chairman Martinez and Congressman Hawkins, I would like to also thank you for the opportunity to testify on behalf of the National Association of Older Worker Employment Services.

NAOWES is the largest membership organization in the United States serving older worker employment and training service providers. Our members represent a diversity of older worker programming. Some are JTPA employees; some are Title V project directors; others have programs funded by United Way, the private sector, city or county funding, or a blend of funding from some or all of the aforementioned sources.

Although they may not always agree on every issue, they are united in their concerns regarding the proposed JTPA amendments. At this pivotal point in the shaping of the older worker employment and training program, our primary goal in presenting this testimony is not simply to preserve the JTPA three percent program or to act out of self-interest as service providers.

As the NAOWES members, we are focusing on the need to formulate a long-range comprehensive and consistent national perspective on employment and training for the country's aging workforce.

We would like to suggest that amendments to the JTPA system act as a stimulus to the state and local planning to increase the quality and quantity of older worker employment and training programs and that those planning activities lead to stronger partnerships between JTPA, Title V and other older worker employment and training service providers.

Together we must effectively design programs that reflect community need and agency resource integration. The $74 million currently being expended should be regarded as a floor, not a ceiling. This funding level reflects the growing number of mature and older workers who must be encouraged to remain or to reenter the workforce.

Now for some specifics. We applaud your bill, H.R. 3266, Chairman Martinez, for including the following provisions:

That the current funding level remain at $74 million with modest annual increases, as projected in the Tilles/James testimony submitted by Mr. Schulder;

That the eligibility for services under Title V of the Older Americans Act shall be deemed as eligibility for programs under this Act;

That performance standards reflect the special conditions experienced by older workers. This becomes even more crucial since the

three percent incentive grants are based on serving 50 percent or more of the hard-to-serve population; and

That at least one member of the State Council, SJTCC, be a representative of older Americans.

In addition, we ask that you consider the following:

That to act as a stimulus to improved planning at the state and local levels, a representative of the older worker employment and training system serve as a voting member of the local PIC, and, further, that the member of the SJTCC proposed in H.R. 3266 is a representative of the older worker employment and training system;

That there be a requirement for improved reporting, and such reports be made available to the local PICs and the SJTCC as well as the governor, for monitoring and planning services by these groups;

That language be inserted into the Act encouraging and supporting the partnerships and networks between JTPA, Title V, and other older worker employment and training service providers and that such language also encourage governors to develop statewide coordination and linkages and have at least one annual meeting. Sir, we do have information about a successful coordination effort by the State of Colorado that we would be glad to make available to you.

NAOWES will continue to encourage local older worker employment and training service providers to strengthen their coordination efforts at the local and state levels.

We also ask that a clear message be conveyed by the final JTPA Amendments as to the continuation of specific funding and programming for the aging workforce. A consistent and comprehensive effort to provide effective programming for older workers will only be successful when it is founded on a secure funding base that includes modest annual increases.

In closing, I would like to add that in our role as advocates for improving the employment and training opportunities for mature and older workers I would like to offer NAOWES technical assistance to you, Chairman Martinez and Congressman Hawkins, and your staff as you develop your final reports.

On behalf of the NAOWES members and older workers, I would like to thank you for your efforts. Thank you.

[The prepared statement of Gerri Garvin follows:]

ADDITIONAL TESTIMONY OF CHERI GARVIN
CHAIRPERSON
NATIONAL ASSOCIATION OF OLDER WORKER EMPLOYMENT SERVICES

BEFORE THE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES
COMMITTEE ON EDUCATION AND LABOR
U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C.
SEPTEMBER 19, 1989

Chairman Martinez, I also would like to thank you for this opportunity to testify on behalf of the National Association of Older Worker Employment Services membership. NAOWES is the largest membership organization in the United States serving older worker employment and training service providers. Our members represent a diversity of older worker programming. Some are JTPA employees, some are Title V project directors, others have programs funded by the United Way, the private sector, city and/or county funding or a blend of funding from some or all the aforementioned sources. Although they may not always agree on every issue, they are united in their concerns regarding the proposed JTPA Amendments. At this pivotal point in the shaping of the older worker employment and training programming, our primary goal in presenting this testimony is not simply to preserve the JTPA 3% program or to act out of self-interest as service providers. As NAOWES members we are focusing on the need to formulate a comprehensive and consistent national perspective on employment and training for the country's aging workforce. We would like to suggest that amendments to the JTPA system act as a

stimulus to state and local planning to increase the quality and quantity of older worker employment and training programming and that those planning activities lead to stronger partnerships between JTPA, Title V and other older worker employment and training service providers. Together, we must effectively design programs that reflect community need and agency resource integration. The $74 million currently being expended should be regarded as a floor, not a ceiling. This funding level reflects the growing number of mature and older workers who must be encouraged to remain, or to re-enter, the workforce.

Now for some specifics. We applaud your bill, H.R. 3226, Chairman Martinez, for including the following provisions:

- o That the current funding level remain at $74 million with modest annual increases as projected in the Tilles/James testimony submitted by Mr. Schulder.
- o That the eligibility for services under Title V of the Older Americans Act shall be deemed as eligibility for programs under this Act.
- o That performance standards reflect the special conditions experienced by older workers.
- o And that at least one member of the SJTCC (State Council) be a representative of older Americans.

In addition, we ask that you consider the following:

1. That to act as a stimulus to improved planning at the state and local levels, a representative of the older worker employment

and training system serve as a voting member of the local PIC, and further that the member of the SJTCC (proposed in H.R. 3226) be a representative of the older worker employment and training system.

2. That there be a requirement for improved reporting and such reports be made available to local PICs and the SJTCC, as well as the Governor, for monitoring and planning purposes by these groups.

3. That language be inserted into the Act encouraging and supporting the partnerships and networks between JTPA, Title V and other older worker employment and training service providers. That such language also encourage Governors to develop state-wide coordination and linkages with at least one annual meeting. We support language allowing a Governor's discretion in developing the appropriate administration of older worker funding. NAOWES will continue to encourage local older worker employment and training service providers to strengthen their coordination efforts at the local and state levels.

4. That a clear message be conveyed by the final JTPA Amendments as to the continuation of specific funding and programming for the aging workforce. A consistent and comprehensive effort to provide effective programming for older workers will only be successful when it is founded on a secure funding base that includes modest annual increases.

In closing, I would like to add that in our role as advocates for improving the employment and training opportunities for mature and older workers I would like to offer NAOWES technical assistance to you, Chairman Martinez, and your staff as you develop your final report(s).

On behalf of the NAOWES members and older workers, I would like to thank you for your efforts as reflected in H.R. 3226.

Thank you, Mr. Chairman.

TABLE I

JTPA OLDER WORKERS JOB TRAINING PROGRAMS NATIONWIDE
ESTIMATED 3% EXPENDITURES AND PROJECTED EXPENDITURES

PROGRAM YEARS 1984 - 1990*

(In millions)

Program Year	Allotment	Available	Expend	% of Allot.	% of Avail
Transition 84 9 mos.	$42.3	$42.3	$12.3	29%	29%
PY 84-85	55.9	85.3	38.4	67%	45%
PY 85-86	55.9	103.7	52.9	95%	51%
PY 86-87	53.9	103.1	59.8	111%	58%
PY 87-88	54.5	97.6	67.6	124%	69%
PY 88-89**	55.5	85.7	74.6	134%	87%
PY 89-90**	55.5	66.6	81.6	147%	122%

* Precise figures on expenditures and available carry over funds are difficult to obtain. The U.S. Department of Labor is unable to provide complete data for the start up program and Program Year 1984-85; data was inconsistent for Program Years 1985 - 1988. This table is our best effort to compile data obtained from the U. S. Department of Labor, the National Governors Association, the State of California and several local service providers. Inconsistencies among "allotment", "available", and expenditure percents may be due to the exclusion of Alaska, New Mexico and the Territories from some of the program year totals.

** Projections for Program Years 1989 and 1990 are based on a conservative assumption of program service and expenditures at an annual 10% growth. Such growth could not occur unless supplemental funds are allocated by JTPA and/or other funding sources.

TABLE II

JTPA OLDER WORKERS TITLE IIA 78% AND 3 % TERMINATIONS

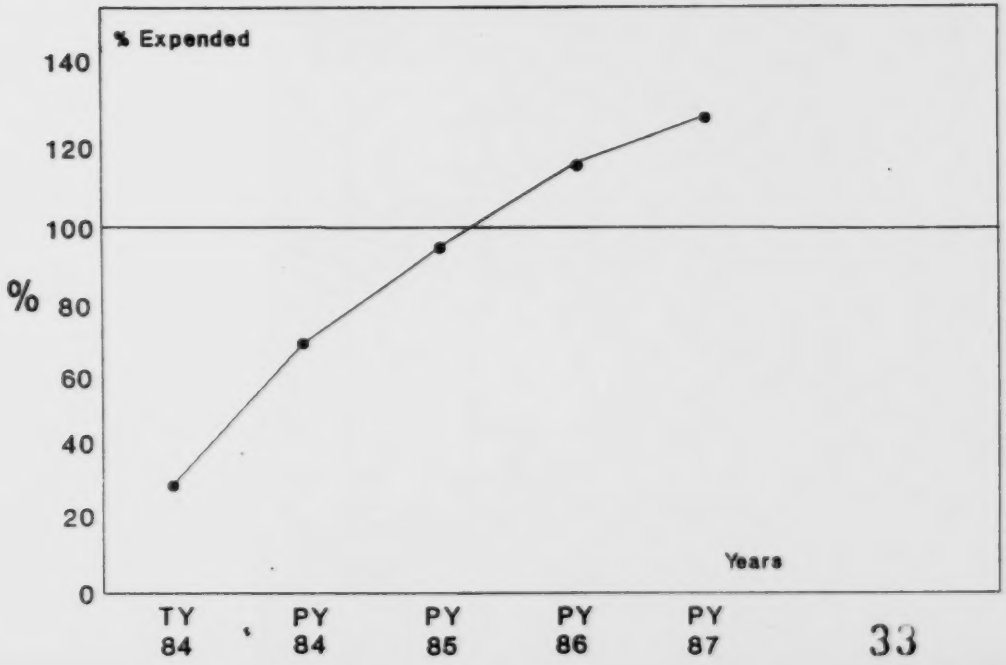
PROGRAM YEAR 1987 - 1988

TERMINATIONS BY PROGRAMS	ALL	CALIF.	LOS ANGELES CITY
TITLE II A, 78%	817,698	59,196	12,308*
AGE 55+	16,207	1,124	160*
% 55+	2%	1.9%	1.3%
TITLE II A, 3%	41,927	2,986	412
TITLE IIA, 78% & 3% AGE 55+	58,134	4,110	572
% ALL 55+ IN 3% PROGRAMS	72%	73%	72%

SOURCES: Estimates from U.S. Department of Labor, State of California JTPD Office, City of Los Angeles Training and Job Development Division, Community Development Department

* Estimates for total city of Los Angeles 78% clients projected from percents provided by the city.

% of Annual Allotments Expended Nationwide by JTPA 3% Programs



Chairman MARTINEZ. Thank you, Ms. Garvin.

With that, we are going to turn now to a colleague of ours, the Honorable Frank Guarini.

Mr. GUARINI. I want to thank you for giving me an opportunity to being here, Mr. Martinez. We share a common belief. That is to insure that the needs and interests of the older workers are safeguarded.

Our older workers are among the greatest resources we have in our country and they are highly underutilized. I think we must encourage them to participate and contribute to our society. Many of them have a great deal of experience and background and energy and skills that they can give to making our country a better country.

I think we have to understand what their problems are and how to fulfill their needs and in turn get their help to make the older American program and the JTPA work even better than it does not. I think that's an important oversight that we have in this particular legislation.

I comment Chairman Hawkins for his amendments to the JTPA which targets at-risk youths. That's very important. However, our elderly workers access to these programs will be cut off if we lose our three percent set-aside. That is not a lot of money; it's a very, very small sum. But, still, it's very critical and very, very important.

I do think that we've got to also consider the nature of our older Americans. We wonder why more older Americans are not served under Title II-A which has been really funded at a very, very low level for them. Much of this is that there are part-time needs. Many of these older Americans can work part-time, but because of their particular status and state they prefer to work a half a day or part of a day instead of the full workweek that younger people are inclined to work.

So, if we understand where they're coming from, we can certainly make better use of the people we have, which consists of over 30 million people that are drawing Social Security today.

I do know that H.R. 2039, the full committee's program, will eliminate this program and transfer the funding into regular II-A training title. But unless we eliminate the requirements of Title II-A, older Americans who now benefit will be cut off. So, we're not only not doing something for them in the future that we've been doing, but we will even cut off completely the little help that we have been affording them.

So, I do ask this committee to consider the fact that part-time work is what many of the senior citizens would need and would prefer. I believe that while we still want to serve our youth, we want to take care of our senior citizens.

I do want to commend, though, Chairman Hawkins and the committee for the coordination of Title V for older Americans and the JTPA.

Dana Berry on my right here has done wonders with various senior citizens that I have that have come from Union City that have been working in a Union City day care program. This has been spotlighted by many of the television programs and much of the media and magazine articles as to the wonderful work that

they are doing and how successful they've been in utilizing the skills and talents of our older Americans. At the same time intergenerationally giving their efforts and building a better day care center throughout American.

So, they are being trained and at the same time not only are working themselves part-time and doing something productively for themselves, but they are filling a very important social need. That is, helping to provide their presence, their love, their care with our young Americans so that single parent families and the two parents that go to work can work and that their children are left in day care centers safe and secure.

Union City has really been in the forefront of this and I want to commend Mayor Menendez, who is the mayor of the city, and Dana Berry, and all the good people that have worked very hard in trying to make these programs a success.

This is the direction I'd like to see us go into. Of course, we can promote full-time opportunities and I think do America a big favor.

I would like to ask the committee to ask specific questions to these people because they can give you tremendous insight as to where 30 million Americans are coming from. I think that this committee should learn that.

I want to commend the chairman for his amendments to the bill, to the main committee bill that has been put, H.R. 2039, in which he addresses himself to the three percent set-aside, the part-time need of senior citizens, and linking JTPA with Title V.

Thank you very much.

Chairman MARTINEZ. Thank you for that very fine statement, Congressman Guarini.

Let me ask you a question. I know your time is limited and so we would just ask you this question.

I've thought about this lately, you know, about how inconsistent we are sometimes. We fought very hard in order to preserve the right of older Americans to continue to work in the age discrimination laws that we passed. There are some workers that have already retired but still have a lot to offer, people that can contribute back their wisdom and experience gained over the years of their more active and productive life.

Yet, we seem almost reluctant to carry that natural step forward from protecting older workers in the workplace to granting a real opportunity for them to still contribute, and maybe in a completely different line of work that they might need some small training for.

Even the simplest services like job search, which is a valuable tool—you know, you can skew those figures. The question is, whether any meaningful number of dollars are being spent for training.

Do you have a reflection on that?

Mr. GUARINI. You know, we do a tremendous amount to discourage the skilled and trained people who are 65 from working. We almost let them think that they are to be cast aside, that they are not productive any longer, and that they can just wait out the remaining twilight years and wait for the grim reaper to come.

The fact is that many of these people have a great deal to give to society. You know, they have lived through the good times and bad

times. They understand life. They have raised their families. They have fought for their country. These people bring to the table a tremendous amount of knowledge and background.

We say when you're 65 for every $2.00 you earn you have to give $1.00 of Social Security back. So, we encourage them not to work. Then after 70 they can go back on the rolls again.

Our laws are counterproductive. We should want to have the strength and energy and talent of our older Americans. There are many societies in the face of this earth that respect age as an age of wisdom where they can teach and be leaders in their communities, as in China and places in Asia. We seem to cast our seniors aside.

I think it's wrong. I think it's not only wrong morally, but it's counterproductive economically. Some of the judges in our Supreme Court are in their 80s. Some of the people that have made great contributions have been in the 70s and 80s. I have a mother who is 89 and, God bless her, she is the most productive woman I know. She is far from being in her twilight. She is a very energetic woman.

I think that our laws should work so that we get the production and the productivity, and the drive that many of these people have. Some of them are ill. If they can't work, then we have Social Security. But I think we should alter many of our laws and put these people to work—if not in day care centers and hospitals, then in other places where they can give their life and their love and their experience to making our society a better society.

Chairman MARTINEZ. I agree with you. We don't have to look very, very far to see people who are outstanding individuals who are still contributing past that age of 65. I think I can look a very short ways to my left.

[Laughter.]

Mr. GUARINI. Everybody looks at the Chairman right now. Well, how you want to handle that is up to you.

Chairman MARTINEZ. Well, I'll give him the opportunity now. Chairman Hawkins.

Mr. HAWKINS. This, obviously, is one of the undecided provisions. Obviously if you just look at me, you would know that I would not discriminate against older workers—not want to.

Some of the facts seemed to indicate that some change was needed now. Maybe we can argue that out. If I were on the Appropriations Committee, for example, trying to acknowledge the extra amount that this committee hopes to give, and I looked at the expenditure percentages, that the three percent older workers setaside really has not been used.

Now, that would argue against increased funding in the current setting of a very fiscal minded Congress. Either the states have not done a good job or else the money wasn't needed. We have attempted to deal with that issue so as to be imminently fair.

Under the three percent, what we've done is we've tried to redirect it from the state level to the SDA level where there could actually be more money available and the older workers could be better identified and served. I'm not saying that we have come up with the correct solution. I am simply trying to give the rationale of why we felt it was needed.

Now, we've had individuals say to us that that's true in the past but it's going to be much better in the future.

Mr. GUARINI. Mr. Chairman, Title II-A——

Mr. HAWKINS. I'm only saying why we have made some changes.

Mr. GUARINI. Right.

Mr. HAWKINS. You seem to differ with that.

Mr. GUARINI. Well, there is one thing that we may have lost sight of. It's the fact that many seniors don't want to work full-time. If we make Title II-A full-time and part-time, then we will cover all our bases. There is no reason why we can't. That would be the easiest change to make.

I know of many seniors that want to work in my district. I have a rather aging district. I think it's lamentable that we don't give them the opportunity.

Mr. HAWKINS. Well, that's a matter of local design, not a defect in what we are attempting to do.

I'm trying to see how we can do both, how we can do what you're suggesting and at the same time make sure that in the overall program that senior citizens, as well as anyone else who needs the services, obtain them.

Mr. GUARINI. See, Mr. Chairman, I don't look at society as pigeonhole boxes where we're seniors and youth, and we're middle age. All of this is intergenerational. All of this should be linked together. That there should be synergism.

Mr. HAWKINS. Well, now you're making my argument.

Mr. GUARINI. Beg your pardon, sir?

Mr. HAWKINS. You're making my argument.

Mr. GUARINI. Yes. There should be synergism.

Mr. HAWKINS. Yes, we should try to do away with the little pigeonholes and direct the services to those who need them the most, whether they are senior citizens or not.

Now, whether or not you carve the jobs in such a way that they are full-time or part-time is not for us to say really at the Federal level. Our job is to give some discretion at the local level for that to be done.

Mr. GUARINI. But if we don't want to put them into pigeonholes, then we can say Title II-A should be full-time and part-time, and then you've covered everything.

Mr. HAWKINS. Well, have you seen the language we have in the other JTPA bill, H.R. 2039? If you would look at that language and recommend this, or whatever language you care to, we are anxious to have the input. I can assure you that this bill, H.R. 2039, is not going to be reported out by the committee tomorrow.

Mr. GUARINI. As it is. No.

Mr. HAWKINS. We intend to hold some additional hearings on H.R. 2039, if need be. I am meeting this week with the Secretary of Labor—and I'm sure that she's going to have some suggestions. As a matter of fact, the Administration's bill takes somewhat the same direction that H.R. 2039 takes. So, I think we are deciding the issue really for both the Executive Branch as well as the Congress.

I'm open-minded and this issue is important. But, as I say, I don't like to have to defend, before the Appropriations Committee, what we recommend when we set aside some money and then it

isn't being used. It deprives other groups of the money and it's unfair it seems to me. I don't think unfairness helps anyone.

I'm open to suggestions.

Mr. GUARINI. I think we can encourage the governors to develop programs. The senior citizens are really the key, as I see it. Pat Schroeder and I have a bill—and I think the Chairman may be an original sponsor of it—to develop more day care centers throughout the country. That's one of our most crying needs that we have, what to do with our young children when their mother and father are gone to work, and how are they being properly taken care of.

The answer lies in the 30 million people that are just sitting in a chair doing nothing and wanting to do something. That's the pity of it all. Now, we could change the language so that their work habits could be included into Title II-A. All we have to say is that it be full or part-time, as I understand it.

If they're not doing it, the governors aren't developing programs, perhaps leadership should come from Washington that we should encourage them to develop these intergenerational programs because I think we are dividing our generations too much and we should have a need for more synergism between all the generations so that we have a fluidity within our society.

Mr. HAWKINS. I understand we could consider that if we folded the older workers program into II-A and made modifications in II-A. We'll give some consideration to that.

Mr. GUARINI. Thank you, sir.

Mr. HAWKINS. Hopefully that may give us another opportunity. Thank you.

Chairman MARTINEZ. Thank you very much, Mr. Chairman.

Mr. HAWKINS. Thank you.

Chairman MARTINEZ. Mr. Guarini, we'll afford you the option now of taking care of any other business you have or joining the panel in asking some of the questions that you may have of some of the panel members.

Mr. GUARINI. I'm here and I'll stay. I'm interested in this subject.

Chairman MARTINEZ. All right. Why don't you join us here then. You can be an ex-officio member of the panel and ask questions of the——

Mr. GUARINI. Oh, I could stay at the table.

Chairman MARTINEZ. All right.

Mr. GUARINI. But I appreciate being invited to the committee.

Chairman MARTINEZ. Very good. Then we'll continue with the panel and then we'll ask the questions. I know you want to get a chance to answer them. One of the questions I have prepared for you will cover just that, as far as what the studies show and what they don't.

Just let me say that I've heard the same remarks made before about the dislocated worker program, whether the monies were being fully used. That was the reason to cut back the appropriation of funding.

Well, it wasn't being used because people didn't consider how the money was contracted for and when it was due and payable, and a lot of other reasons. It goes back to the same thing.

You know, with figures you can do anything you want and prove any case you want. But on the other side of the coin too is that if officials understood that the monies are there and what they're to be used for, and those officials take the initiative and the innovation of creating the programs that will best utilize those monies, then there is plenty of use for it.

In fact, the whole JTPA is only reaching about three percent of the eligible population. So I could make the argument to the Appropriations Committee that when we don't want to do something we find some statistics to indicate why we shouldn't run a program when in actuality what we ought to be doing, much as Congressman Guarini has said, is to encourage officials with that responsibility to use the money because it is sorely needed out there. In other words, single out poor management, but don't punish the clientele.

With that, we'll go to Ms. Ina Davis.

Ms. DAVIS. Good afternoon, Mr. Chairman and Mr. Hawkins. I am Ina Davis, Associate Director of Medishare Health Education Learning Programs. I am accompanied today by a delegation of older worker graduates of Medishare's child care provider training program. Also, the other Associate Director of Medishare, Mrs. Roberta Houseman, the instructor of the child care provider program in Trenton New Jersey; and Ms. Virginia Freezon who is the former Director of the Urban Women's Center in Trenton, the place where we housed our programs.

Each of these ladies is truly exceptional, and each has a story to tell that goes right to the heart of the effort you are making, Mr. Chairman, to preserve the right of older workers to meaningful JTPA participation.

I do hope that you and the other members of the subcommittee will feel free to speak directly to our graduates in the audience. They are ready, willing and able to respond to your questions, and they are the ladies in the smocks.

Medishare conducts training under JTPA throughout the State of New Jersey principally in the occupational area of geriatric nursing assistant. For the past year we have also been training older workers as child day care providers using combined resources under the Three Percent Older Worker Set-aside Program and the Title V Older American's Act Senior Community Service Employment Program.

Mr. Chairman, I know that there has been a spirited dialogue going on within the House and the Senate Labor Committee with respect to the proposed elimination of the three percent worker set-aside program.

I know that the rationale behind this proposal to eliminate the set-aside is based on somewhat disappointing statistics regarding utilization of the three percent funding by the governors during the early years of JTPA. I understand that this problem has been substantially corrected in most states and there are strong forces in the House and the Senate, as well as the Department of Labor, who favor doing away with the older worker set-aside at the state level and transferring the money into the regular adult training title at the SDA level.

If that should happen, older workers will be shut out of the JTPA program unless your amendment waiving performance standards for older workers is adopted.

You can ask anyone of the Medishare graduates who are here today about the practical realities of getting older and about their preferences to work part-time as opposed to full-time employment. You can also ask them about their concerns about wage levels that might affect their Social Security or jeopardize their eligibility for important aid programs such as assisted housing.

Since I am a nurse and specialize in geriatric nursing, you could ask me about the problems of older workers and their preference for part-time employment. As a matter of fact, I hope you will ask me a lot of questions about that subject because from what I hear there are some people in legislative positions who really don't realize that getting older means changes and about what considerations must be reflected in programs like the JTPA so that we can encourage participation by older citizens and keep them productive.

Mr. Chairman, your amendment on performance standards is critically important, irrespective of what finally happens on the older worker set-aside issue. Of course, I would like to see a set-aside preserved—and your hold-harmless funding amendment for older workers achieves that objective without carving out an actual set-aside which seems to be so objectionable to some people.

But if inappropriate JTPA performance standards can be waived for older workers, there will be both a strong incentive for participation on the part of older workers and a strong incentive to provide services to older workers on the part of JTPA entities.

Older workers need a bridge to the JTPA, not a barrier. You, Mr. Chairman, together with your cosponsors of H.R. 3266, are the bridge builders to whom the older workers look with hope for a better future under a new JTPA that recognizes the incalculable worth of the older Americans.

Mr. Chairman, you can count on the full support of the Medishare organization and all of the people that it serves in the State of New Jersey. Our graduates stand with you and by you in your efforts to insure that other low-income older Americans can join them as employed and productive citizens who are filling jobs that are critically important in modern day America.

Thank you for all the work that you are doing to help older Americans. Thanks also for the fine work that is being done by Mr. Jensen and Mr. Adcock of your staff.

Mr. Chairman, the Medishare delegation and I would be very pleased to respond to any questions which you may have, and may I add that these women traveled four hours on a van from Trenton, New Jersey. Mr. Martinez, we would love, if you have an opportunity, to meet our delegation and to hear for yourself their stories.

Thank you.

[The prepared statement of Ina Davis follows:]

TESTIMONY OF INA DAVIS, R.N.
BEFORE THE HOUSE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES
WASHINGTON, D.C. - SEPTEMBER 19, 1989

Good afternoon, Mr. Chairman and Members of the Subcommittee. I am Ina Davis, Associate Director of Medishare Health Education Learning Programs. I am accompanied today by a delegation of older worker graduates of Medishare's child day care training program. Each of these ladies is truly exceptional -- and each of them has a story to tell that goes right to the heart of the efforts you are making, Mr. Chairman, to preserve the right of older workers to meaningful JTPA participation. I do hope that you and the other Members of the Subcommittee will feel free to speak directly to our graduates in the audience. They are ready, willing and able to respond to your questions.

Medishare conducts training under JTPA throughout the State of New Jersey, principally in the occupational area of geriatric nursing assistant. For the past year, we have also been training older workers as child day care aides, using combined resources under the 3% older worker set-aside program and the Title V Older Americans Act Senior Community Service Employment Program.

Mr. Chairman, I know that there has been a spirited dialogue going on within the House and Senate Labor Committees with respect to the proposed elimination of the 3% older worker set-aside program.

I know that the rationale behind the proposal to eliminate

the set-aside is based on somewhat disappointing statistics regarding utilization of the 3% funding by the governors during the early years of JTPA. I understand that this problem has been substantially corrected in most states, but there are strong forces in the House and the Senate, as well as the Department of Labor, who favor doing away with the older worker set-aside at the state level and transferring the money into the regular adult training title at the SDA level.

If that should happen, older workers will be shut out of the JTPA program unless your amendment waiving performance standards for older workers is adopted.

You can ask any one of the Medishare graduates who are here today about the practical realities of getting older, and about the preference of older workers for part-time, as opposed to full-time, employment. You can also ask them about their concern about wage levels that might affect their Social Security or jeopardize their eligibility for important aid programs such as assisted housing.

And, since I am a specialist in geriatric nursing, you can ask me about the problems of older workers, and their preference for part-time employment. As a matter of fact, I hope you will ask me a lot of questions on this subject, because from what I hear, there are some people in responsible legislative positions who have very little knowledge about the realities of getting

older, and about what considerations should be reflected in programs like the JTPA so that we can encourage participation by older citizens and keep them productive.

Mr. Chairman, your amendment on performance standards is critically important, irrespective of what finally happens on the older worker set-aside issue. Of course, I would like to see a set-aside preserved -- and your hold-harmless funding amendment for older workers achieves that objective without carving out an actual set-aside which seems to be so objectionable to some people. But if inappropriate JTPA performance standards can be waived for older workers, there will be both a strong incentive for participation on the part of older workers, and a strong incentive to provide services to older workers, on the part of JTPA entities.

Older workers need a bridge to the JTPA, not a barrier. And you, Mr. Chairman, together with your cosponsors of H.R. 3266, are the bridge builders to whom older workers look with hope for a better future under a new JTPA that recognizes the incalculable worth of older Americans.

Mr. Chairman, you can count on the full support of the Medishare organization and all of the people that it serves in the State of New Jersey. Our graduates stand with you and by you in your efforts to ensure that other low-income older Americans can join them as employed and productive citizens who are filling jobs

that are critically important in modern day America. Thank you for all the work that you are doing to help older Americans -- and thank you, too, for the fine work that is being done by Mr. Jensen and Mr. Adcock of your staff.

Mr. Chairman, the Medishare delegation and I would be very pleased to respond to any questions that you may have.

Chairman MARTINEZ. Thank you, Ms. Davis. Is that pronounced Ms. Obelleiro? Is that Spanish?

Ms. OBELLEIRO. Yes, it is. It's Spanish right by Portugal so my family identifies with being Spanish. But I think Obelleiro is a name common to that.

Chairman MARTINEZ. I was trying to pronounce it as an Italian name, and I get those all messed up, as Frank can tell you. Go ahead.

Ms. OBELLEIRO. My name is Alice Obelleiro and I'm with the New Jersey Division on Aging. I want to thank you, Chairman Martinez, and Congressmen Hawkins and Guarini for enabling me to come to represent my division. I'm with the Department of Community Affairs, Division on Aging, and I'm the project coordinator for the Older Americans Act, Senior Community Service Employment Program.

We have the statewide program and we also receive funding from the National Council on the Aging. I'm very proud to say that many of the older workers that are in this room were enrollees on our program and they are now our success stories because they were able to move on into what we call unsubsidized employment. It was largely thanks to what I call formal training that was provided by the Job Training Partnership Act.

I think that with Medishare and the Union City Day Care Training Center these were prime examples of where we were coordinated and communicating together and we tried to work with all levels of government to make this work.

In New Jersey the governor is advocating the concept of lifelong learning. If we do not have what we call formal training for the older workers, then they will not be able to become part of the workforce of the future in New Jersey and in the United States. So, if emphasis is not placed on them in the Job Training Partnership Act, we feel that they might be lost in the shuffle and that programs will not be designed to try to meet their needs, which are different than some of the younger groups.

We look forward to a new JTPA because we know in some ways the old one did not work, and we don't like to think that the it's the old JTPA but more that it was in transition. That it was a new concept and it had to be looked at.

I think that some of the changes are good, but we don't want the older worker to be forgotten in this. We fell that if it's mandated, if coordination is mandated on the state and local service delivery area levels, that we will be able to do our job more effectively, which, of course, would be to train our older workers, our mature workers, to get jobs.

Many of the jobs require at least a seventh grade reading level. A lot of our people, they need the training, the current training, in order to achieve that.

In New Jersey there is a very pressing issue, as is there throughout the United States. There are many older workers and at the turn of the century there is a vast increase. Many employers will want the mature worker. But in our dynamic kind of world, we have to prepare for that. I think that's what the changes in the JTPA—I think that's what we're all trying to work towards.

We support your amendments to the Job Training Partnership Act, and we just want to point out that one of the barriers and disincentives that we had in working with the local JTPA people was that the performance standard was very harsh because many of our older workers choose to work part-time. So, the local level people were hesitant to work with them because they were not able to meet their performance standards.

You can't blame them because I know there's great pressure. I know in our particular senior employment program there is a lot of pressure on us to make our performance so that we can receive the money and help the other workers that might be harder to employ.

So, I know that if the performance standards were changed, we would be able to serve more older workers, and I think you'd see a lot more of their number in the use of the money for the funding. So, we do support that.

We also support the formalization of the coordination with the State Unit on Aging. Of course, that's our unit. It enables our group to do our job more effectively. As I said before, of the people that are in this room, many of the older workers would not be here if we were not able to work together with the local people and the training provider.

I think programs have to be marketed to the older worker, but they have to also be developed for the older worker. That's where we feel that there should be special emphasis for the mature worker in the Job Training Partnership Act. So, the New Jersey Division on Aging wants to commend you on the amendments that you are submitting for the JTPA.

We want to also point out and submit this for the testimony, that the National Institute on Aging in the U.S. Department of Health and Human Services recommends to older workers that they not be afraid to explore part-time job opportunities. As I told you before, I would say the majority of our mature workers, especially after the age of 65, choose to work part-time. So, the removal of the performance standard I think would show that many of them would take part in JTPA because, as I said before, this concept of lifelong learning is very important.

Thank you for allowing me to make my presentation. I would be available for any questions. I would like to also have my testimony submitted for the committee.

[The prepared statement of Alice M. Obelleiro follows:]

State of New Jersey

THOMAS H. KEAN
GOVERNOR

DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION ON AGING

ANTHONY M. VILLANE JR., D.D.S.
COMMISSIONER

LOCATION
WILLIAM ASHBY COMMUNITY AFFAIRS BUILDING
101 SOUTH BROAD STREET
TRENTON, NEW JERSEY

MAILING ADDRESS
CN 807
TRENTON, N.J. 08625-0807

TEXT OF NEW JERSEY DIVISION ON AGING

SENIOR COMMUNITY SEAVICE EMPLOYMENT PROGRAM

COORDINATOR, ALICE M. OBELLEIRO'S TESTIMONY

BEFORE THE U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON EDUCATION AND LABOR

SEPTEMBER 19, 1989

NEW JERSEY IS AN EQUAL OPPORTUNITY EMPLOYER

Employment for an older worker is one of the best vehicles for achieving a positive self-image. In the State of New Jersey during 1988 three percent (3%) of the State's approximately 4 million work force or 117,000 residents age 65 years and older held full and part-time jobs.

To better utilize an older work force, employment and training programs must be based on a sound understanding of the changes occurring in our economy. Work force policies traditionally in the United States had been widely influenced by the pressure for what appeared to be an endless supply of young workers. Two factors have more recently become apparent that the work force policies for the latter half of the twentieth century and the twenty-first century must reflect:

1) The longevity of the worker which has dramatically increased since 1950; and

2) the dwindling supply of the age group from 16 to 24 as a source. (See attached chart.)

The current emphasis on employing the mature worker has brought about philosophical and procedural changes in government funded income maintenance programs for the mature economically disadvantaged worker. The Older Americans Act Title V Senior Community Service Employment Program since 1980 has emphasized the employability of the older worker in all public, private, business, industrial, and governmental endeavors.

In New Jersey the programs which can be identified as serving older workers are:

1) The Older Americans Act Title V Senior Community Service Employment Program with nine diverse providers of service;

2) The Job Training Partnership Act Three Percent Older Worker Set-aside Programs; and

3) PROJECT RESOURCES in two of New Jersey's community colleges. The thrust of this program is to provide employment placement to people age 55 and over. The distinguishing feature of this program is its emphasis on the older worker without regard to financial need.

Mature worker JTPA program experience in New Jersey currently is primarily in the child day care field with representation in two urban/suburban counties out of a total of twenty-one. In each of these experiences a partnership between the JTPA agency, the SCSEP Title V Programs and the training provider contributed to its success in terms of finding employment for its participants and trainee development.

Establishing an ongoing equal partnership between the Job Training Partnership Act and the Older Americans Act Title V Senior Community Service Employment Program has produced positive results in New Jersey. These results were achieved when consideration was given to the target population. The needs of the senior population are just as diverse as any other age group. However, there are certain characteristics that are valid when handling any group of seniors:

1) The fear of not being able to learn after a long absence from formal training;

2) The fear of not being able to succeed at the training;

3) Absorbing the latest technological changes even in a job that they previously held; and

4) The fear of not being able to compete with the other members of the work force.

One of the elements that can help overcome some of these problems is in the initial design and marketing of the programs. In New Jersey we have been successful in several instances when the Private Industry Councils, the JTPA administrative agencies, and the Older Americans Act Title V Senior Community Service Employment Programs established open communication and consultation to meet the precise needs of this particular group.

The proposed elimination of the JTPA 3% Set-aside Program has caused the N.J. Division on Aging much concern as this special emphasis on the mature worker when coupled with the services available through The Older Americans Act Title V Senior Community Service Employment Program has enabled the mature worker to enter the labor force with viable skills.

(2)

We wish to avoid the loss of this very important element of the Job Training Partnership Act. It is from this standpoint that we advocate the following policies:

1. Retention of a set-aside policy and program;

2. Specific language to insure service to older workers, should that set-aside be lost;

3. Retention of the 55+ eligibility guidelines to insure the strongest possible coordination with Title V OAA;

4. Mandated representation of older worker advocates on the State JTPA Boards;

5. A stronger connection to the older worker network at both state and local (SDA) levels;

6. The continued urging of a strong JTPA/Title V OAA Coordination at a planning and implementation level; and

7. To better meet the special needs of the older worker we also propose that the JTPA 3% Set-aside Program provide for an opportunity for those individuals who have not been successful in locating unsubsidized employment to be linked to the Title V OAA Program. Consideration also needs to be given to the alteration of the JTPA unsubsidized placement standard to include part-time employment as an allowable performance objective.

In New Jersey, as throughout the nation, JTPA involvement by older workers has been under the 3% Governor's set-aside program. Since the total funding available in any given year under the 3% program represents a small portion of overall JTPA funding, it is natural to wonder why more older Americans are not served under Title II-A -- which has significantly higher funding levels. The reason for this disproportionate under-representation by older workers in the JTPA participant population is that Title II-A performance standards do not take into consideration the fact that many older workers, particularly those 60 years of age and older, prefer part-time work as opposed to the full-time employment required by the Title II-A performance standard. This preference for part-time work reflects the realities of the aging process which I am sure I do not have to detail for this Committee.

In addition to their preference for part-time work, many low-income older individuals are concerned about wage levels which might jeopardize their Social Security retirement income or their continued eligibility for such important aid as assisted housing. The program's local job developers have to conduct pre-enrollment briefings for the older worker trainees to reassure them that their SCSEP stipends would not adversely affect their Social Security retirement income.

Additionally, the JTPA Title II-A performance standard relative to wage at entered employment is often at a level which would adversely affect Social Security retirement income, and would imperil eligibility for assisted housing and other benefits important to low-income older Americans. Furthermore, wage levels dictated through the Title II-A performance standards make it almost impossible to link the Title V Older Americans Act Senior Community Service Employment Program with the JTPA, because the maximum amount of the hourly stipend that can be paid under the Senior Community Service Employment Program is $3.35.

In direct response to the obstacles created by the Title II-A performance standards, organizations interested in sponsoring older worker training programs have naturally gravitated to the 3% set-aside for older worker programs. But both the House and Senate Labor Committee bills, H.R. 2039 and S. 543 respectively, eliminate the 3% program, and transfer that funding into the regular II-A training title at the local SDA level.

Although both H.R. 2039 and S. 543 contain language which encourages the coordination of Title V Older Americans Act programs with the JTPA, it is my view that this coordination will be virtually impossible with the current performance standards applicable overall to participants under Title II-A.

And, even though both bills encourage local JTPA Service Delivery Areas to continue to provide training services to older workers, the Title II-A performance standards requiring full-time employment after job training at wages which definitely exceed those authorized under SCSEP have already demonstrated their effectiveness as a deterrent to JTPA participation by older individuals. In point of fact, these inappropriate Title II-A performance standards constitute a disincentive to able-bodied low-income older Americans who might otherwise be interested in JTPA training for meaningful part-time employment in jobs.

(4)

We at the New Jersey Department of Community Affairs, Division on Aging, want to commend you for including language providing for a waiver of performance standards for older workers, including those participating in coordinated Title V OAA/JTPA training activities. The amendments you propose in H.R. 3266 "The Work Force 2000-Job Training Partnership Act Amendments of 1989" to significantly enhance the effective coordination of Title V Older Americans Act programs with the JTPA programs and we support your efforts on this behalf.

This concludes my testimony, Mr. Chairman. I would be happy to respond to any questions that you or the other members of the Committee may have on ways in which coordination, communication and cooperation can become an integral part of both JTPA and the Older Americans Act Senior Community Service Employment Program.

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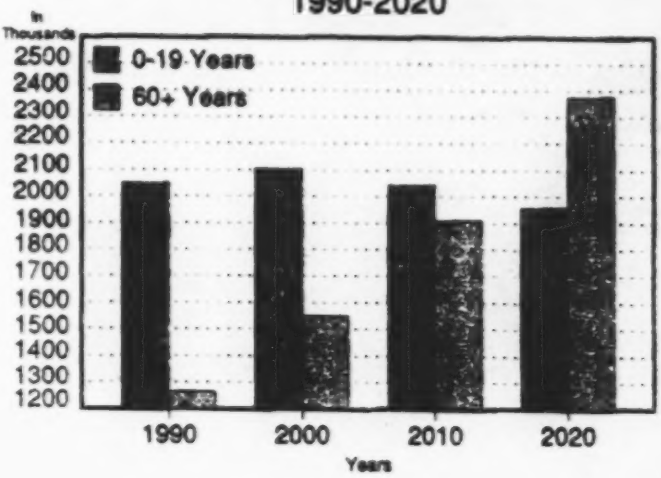
N.J. Population Trends 1990-2020



	0-19		60+
1990	2,023,900	1990	1,255,600
2000	2,109,400	2000	1,556,000
2010	2,041,600	2010	1,901,200
2020	1,973,300	2020	2,379,300

Published in:
Labor and Market Demographic, N.J. D.O.L.
Population and Labor Force Projections for N.J. 1990-2020
February 1989

Chairman MARTINEZ. Let me announce that all of the written testimony that we receive will be entered into the record in its entirety, and we have appreciated your summarizing those testimonies.

Thank you, Ms. Obelleiro.

Ms. Dana Berry.

Ms. BERRY. Good afternoon, Mr. Chairman, and members of the committee. I am Dana Berry, Project Director of Union City Day Care, and I very much appreciate the opportunity that you have extended to me to comment on the older worker provisions of Chairman Martinez' legislation, H.R. 3266.

I have been accompanied to this hearing by three graduates of the Union City Day Care's paraprofessional child care training program, Ms. Hilda Martinez, Ms. Criselia Perez and Mr. Nick Pappas. Each of them have interesting stories to tell about their training and their subsequent experiences in working with our children in our programs. They would be interested in answering any of your questions and sharing some of their stories.

In order to conserve time today, I respectfully request that I be permitted to submit a written statement for the record of this hearing, which I have, and that will then make my presentation very brief.

Chairman Martinez, you and our very distinguished Congressman Frank Guarini, are regarded, quite frankly, as the champions of low-income older workers in our community in Hudson County, New Jersey because you have taken the legislative action to ensure that low-income Americans who are 55 years of age and older are not shut out of the JTPA systems.

I hope I can do this with some flourish. When my family, the Union City Day Care family, found out that we were coming down to testify today, an effort was made between the children and our older workers. This says, "Viva Congressman Martinez." You will find that this is a combination work between our children at the day care center. In English and in Spanish you will find some of the written testimonies of our graduates and what this program has meant to their lives.

As director of the day care program, I can only tell you that it has enriched our educational program in ways that are simply magical.

Chairman MARTINEZ. Thank you very much.

Ms. BERRY. I will give this to you.

Chairman MARTINEZ. I appreciate that. I'll read the English and I'll have Barry translate the Spanish for me.

[Laughter.]

Mr. HAWKINS. I think it should be reversed. Let me do the Spanish and you do the English.

Ms. BERRY. Sounds good to me.

Mr. GUARINI. If they were truly good politicians, it would have had Mr. Hawkins name on it also.

Ms. BERRY. We're learning. Remember, we're working——

Chairman MARTINEZ. That's at tomorrow's hearing, right?

Ms. BERRY. Yes, right. For you. You just hang on there.

Chairman MARTINEZ. Okay.

Ms. BERRY. You invite us to your hearings and we will do something magically special.

Your older worker amendments, Chairman Martinez, will substantially improve coordination between the Title V Older Americans Act and the JTPA and will indeed provide local SDAs with not only the incentive, but the means to serve able-bodied low-income citizens over the age of 55 who want to remain productive and who want to supplement their limited Social Security and other retirement incomes with a modest amount of earnings from flexible part-time employment opportunities.

For nearly two years the Union City Day Care Program has been operating a highly successful paraprofessional child care training program for older workers. This is a coordinated program which combines the JTPA and the Title VI Older Americans Community Service Employment Program.

So far, 126 older workers, ranging in age from 55 to 82 years of age, have graduated from our comprehensive program and they are employed in child care jobs and positions throughout Hudson County. Of the 126 who have graduated, 70 percent are really in work-related programs at this time.

We have lost track of one percent because they have moved and we haven't been able to find out if they're working or not, and 37 percent have left in part because of health reasons or family considerations—literally taking care of their children at home, their grandchildren at home—and because of the SSI, the Social Security income limitations which was addressed last week during testimony.

Our program has received national media attention, which, of course, we are delighted with as we understand how this begins to focus on the needs of young children, the fact that we need to provide for our youth as they go into the labor force. We need to provide wonderfully high-quality caring places to take care of the young workforce's children.

So, my question has become very recently: who is going to take care of the children because the youth of our country, who then become the young parents of our country, are not interested in going into positions in early childhood education for a myriad of reasons. But our older worker community, many of whom are retired and have worked either with children in teaching positions, or have certainly had experiences as a mother or as an aunt and are now grandparents, are just delighted to be able to come back and serve as teacher assistants in our early childhood programs.

So, in part we're beginning to find a partial solution to the labor shortage that we have when we ask the question of who is going to take care of our children since we need to have our young workers going into other fields to take care of our industrial and corporate American. I think we're beginning to see that this intergenerational approach is indeed multifaceted and multi-leveled.

I would like to share with the subcommittee a visual essay for your review that is worth more than the words that I can give you today. This is a composite of TV newsclips about our senior day care program where you actually see the seniors and the young ones working together. When you see the videotape, you will hear

a news commentator as, "Why aren't there hundreds of programs like this around the country?"

Well, the answer to that question really is quite simple. Inappropriate performance standards under the regular JTPA Adult Training Title, Title II-A, make it practically impossible to link the JTPA with the Title V Older Americans Act Senior Community Service Employment Program.

These performance standards require full-time work at wage levels that adversely affect Social Security recipients and they potentially imperil the eligibility of the low older income Americans for important aid to programs.

I really have to do a sell job to some of our older workers to assure them that their assistance in Social Security payments, in housing assistance and food stamps will not be jeopardized. Even when I pull out some of the laws and the statute wording and give it to them, they are still not quite sure that what I am saying is really true. I ask them to give a leap of faith here, which they do, and then they are able to join the program—and their lives are enriched. So are ours.

Because of the conflict between the Title II-A JTPA performance standards and the Title V OAA regulations, at the Union City Day Care Program and the Hudson County Division of Employment and Training we had to change our program in midstream and we had to trade training dollars with a neighboring SDA.

I can assure you, were it not for the commitment of Mr. Ed Ferley, the Executive Director of the Hudson County JTPA Program and Hudson County Office of Training and Employment, our 126 senior child care paraprofessionals would not be working today. He was willing to take the extra mile. Our program in our community would then have lost some of the most productive and dedicated workers.

Most JTPA programs do not have administrators like Ed Ferley who practically had to stand on his head to make the Title V component of our training program fit with JTPA. Most of the directors would simply shrug and say, "Well, I guess we can't do anything to help the older workers because it's just too complicated." Ed didn't stand on his head; he just shook his head, scratched his head and said, "Well, let's figure something out," and we did.

One of the figuring outs was was having Mr. Nick Pappas, who is not eligible because of his retirement income, fall through the window—that was the term that we used. You might want to discuss what made Nick want to "fall through the window" to go through this training, to volunteer his time in a day care center.

Mr. Chairman, by introducing your amendments you have sent a very clear signal to the JTPA community and to the Nation that older workers are important and that they deserve the opportunity to remain productive citizens through modest training that will qualify them for jobs that need to be done to help solve the pressing problems of our contemporary American society.

Child care is just one such need. We all can think of many more. In his testimony before the House Select Subcommittee on Retirement Income and Employment Mayor Robert Menendez proposed the creation of a national service corps for senior Americans under which older Americans would be encouraged to help this country

meet our pressing social needs in an era of ever-tightening budgetary constraints.

Through your amendments, Mr. Chairman, this imaginative proposal really could become a reality because JTPA could be transformed into the vehicle which harnesses America's untrapped reservoir of older worker talent, ability and commitment, and with very little added bureaucratic controls.

Thank you for recognizing the very legitimate needs of older workers, Mr. Chairman, and thank you too for the excellent staff work that has preceded your legislation. All of the older workers of the Union City Day Care Program join me in expressing heartfelt appreciation for your leadership. Of course, Mr. Chairman, I would be delighted and my team would be delighted to answer any questions you or the committee might have.

[The prepared statement of Dana Berry follows:]

TESTIMONY OF DANA W. BERRY
BEFORE THE HOUSE SUBCOMMITTEE ON EMPLOYMENT OPPORTUNITIES
WASHINGTON, D.C. - SEPTEMBER 19, 1989

Good afternoon, Mr. Chairman and distinguished Members of the Subcommittee. I am Dana Berry, Project Director of the Union City, New Jersey Day Care Program. I very much appreciate the opportunity that you have so graciously extended to me to comment on the older worker provisions of Chairman Martinez' legislation, H.R. 3266. I have been accompanied to this hearing by three graduates of UCDCP's paraprofessional child day care training program for older workers -- Ms. Hilda Martinez, Ms. Criselia Perez and Mr. Nick Pappas, who would be very pleased to respond to any questions that you or the other Members of the Subcommittee may have regarding their training and their work in the child day care field.

Older workers have been the magic ingredient in our child day care program in Union City, which currently serves 235 children between the ages of six months and six years in two non-profit child day care centers and a home-based satellite infant care program supervised by UCDCP. Our young clients are principally from low-income Hispanic families.

UCDCP's child day care program is one of only eleven programs in the State of New Jersey accredited by the National Academy of Early Childhood Programs, the accreditation branch of the National Association for the Education of Young Children. I might note that the UCDCP program is also the only multi-site, multi-cultural

program in the State of New Jersey to have received NAECP-accreditation.

Since February of 1988, UCDCP has been engaged in a cooperative partnership effort with the State of New Jersey Division on Aging, the Hudson County Division of Employment and Training and the Hudson County Private Industry Council, through which low-income individuals 55 years of age and older, principally Hispanic, have been trained by UCDCP as paraprofessional child day care teaching assistants.

To date, 126 older workers ranging in age from 55 to 82 years of age have completed the training program, which consists of both a classroom training component and a follow-up training component of up to six months of UCDCP-supervised work experience at SCSEP child day care work sites. The average age of our graduates to date is 65 years.

The classroom training component itself consists of 160 hours of instruction conducted over an eight-week period. The curriculum is based upon a theoretical framework consisting of the Hawaii Developmental Scale for Early Childhood, together with daily practicum experiences that are tied directly into the classroom lectures on early childhood education theory. Further, there are daily classroom assignments during which trainees have an opportunity to practice what they are learning on a very concrete level -- working directly with the children. The trainees also spend

time in each of the various age-level classrooms so that the trainees experience the different stages of young children's growth and development. During the classroom training phase, our participants receive a stipend of $3.35 per hour for up to twenty hours per week, paid directly to them by the Title V Older Americans Act Senior Community Service Employment Program.

Following the completion of classroom training -- with a graduation ceremony complete with cap and gown and keynote speakers -- the trainees receive up to six additional months of UCDCP-monitored work experience training in public and private non-profit child day care centers and after-school programs which have been pre-approved by UCDCP with respect to program caliber, workplace quality, and their commitment to hire the trainee or trainees for non-subsidized teaching assistant positions within six months of their work experience start date. During this stage of the program, participants continue to receive their SCSEP stipend of $3.35 per hour for up to twenty hours per week.

The component of the training program which immediately follows classroom training is important, because it represents a supervised transition stage during which UCDCP continues to monitor its graduates to ensure that they are coping successfully in their new work environment. Remember, that for many of the older workers, this stage of the training program represents their first experience in a formal occupational setting. Up to this point, they have had the support system of their classmates and

instructors. Now, they not only have to function as individuals, but they also have to adjust to a new setting and new people. This may be an easy thing for you and for me, but it can be a scary proposition for someone who's nearly 70 years old. That's why we don't classify this stage as actual "placement", but rather, as "work experience" for our new graduates.

I am very pleased to report that the training model that we developed has been highly successful in terms of outcomes for the participants and their community. All of our graduates are now working in unsubsidized jobs in child day care and related programs. They are working in day care centers, in before-school and after-school programs as teaching assistants, and as home-based child day care providers for private clients or as part of our UCDCP satellite infant-care program. And they are going to be an indispensable resource in our planned Union City Family Education Center, where they will be employed as teaching assistants to help teach parenting skills and parent-child education programs to Hudson County families -- particularly those transitioning from welfare to work as part of the State of New Jersey REACH welfare reform program.

The UCDCP older worker program has generated considerable media attention, and will be featured in Life magazine later this year.

As you can see, Mr. Chairman, there is a lot of good news coming out of our program. But the bad news is that programs like it are almost impossible to replicate under JTPA's current Title II-A performance standards.

We originally tried to use Title II-A as the funding source for our classroom training component. But because the Title II-A performance standards do not recognize the part-time employment and $3.35 per hour wage that is required under the Title V Senior Community Service Employment Program, the Hudson County Division of Employment and Training was denied placement credit for our 68 original graduates.

For our second training program, the Hudson County Division of Employment and Training sought a waiver by the State JTPA office of the Title II-A standards. And, HCDET alternatively sought 3% older worker set-aside funds for the program in the event that the State JTPA office did not wish to grant a waiver of the Title II-A performance standards. Both requests were turned down by the State JTPA office. So in order to get funding for the classroom training component of UCDCP's second training program, the Hudson County Division of Employment and Training was forced to negotiate a trade of funding with a neighboring SDA that had been awarded 3% set-aside funding under New Jersey's competitive allocation methodology.

Mr. Chairman, I believe that the problems that we encountered in trying to link JTPA Title II-A with the Title V Older Americans Act SCSEP program probably mirrors what other organizations and SDAs around the country have encountered. No wonder there are so few older workers served under Title II-A. And no wonder that so many older worker organizations are expressing great concern about the proposed elimination of the 3% set-aside program for older workers.

Mr. Chairman, your amendment requiring waiver of JTPA performance standards for older workers is essential to ensure that the special needs and preferences of older workers for part-time work are fully reflected in the statute. Your amendment will also ensure that the JTPA system does not ignore the concern that has been voiced by countless older individuals who fear that the wage levels required by the current Title II-A performance standards will adversely affect their Social Security pensions and their continued eligibility for important aid programs such as assisted housing.

Mr. Chairman, I also commend you for your amendment requiring the JTPA State Job Training Coordinating Council to include a representative of the State older worker unit. As I learned through my own experience, the State older worker unit is often overlooked, by-passed or ignored by the State JTPA office. Your amendment will significantly enhance coordination between the JTPA and Title V Older Americans Act programs.

Mr. Chairman, on behalf of all the older workers in the Union City Day Care Program, I thank you very much. Your amendments will not only improve the JTPA statute, but will also improve the chance for countless older Americans to remain productive through appropriate training and part-time work. Your amendments will also help countless communities around the country to utilize their JTPA program more effectively so that America's great untapped resource -- its older citizens -- can be enlisted in our national effort to expand the availability of competent and affordable child day care, to provide tutoring and counseling for school-age children, to provide literacy training for youth and adults, to help in the war against drugs through education programs for children and youth, and to serve as mentors and counselors to youth and adults who have had no positive parental role models in their lives.

This concludes my testimony, Mr. Chairman. Both I and the UCDCP training program graduates that I have already introduced to you would be delighted to respond to any questions that you or the other Members of the Subcommittee may have about the role that older workers are so effectively performing in the Union City Day Care Program.

Chairman MARTINEZ. Thank you very much, Ms. Berry.

On your last comment, of the unlimited potential for jobs to help in an ever-weakening infrastructure in local governments—they could be trained for all kinds of things. Recreational directors and just a myriad of directive programs within a local city or county itself.

One of the things that is troubling to me about this whole situation, the reluctance of some people to accept this easily and readily, is the fact that we have struggled for two sessions of Congress now to try to get out a child day care program and we have never looked at the tremendous potential of retired people out there that could be trained very easily.

It seems to me that there is a great potential of using these people in the JTPA training programs themselves to allow young people the time to take the training to get employed.

It's interesting that you mentioned supplementing their Social Security. For years in this country we have reminded the senior that Social Security was not a full retirement, that it would only supplement, and that they had to do other things to make sure that they had a livable income when they did retire other than just the Social Security.

Well, the thing that we never stopped and thought about, was that there were a lot of people in this country who had retirement because of the kind of employment they had or because they had menial jobs that there wasn't much they could do to put away—or they were raising families and putting every dollar into the education of those families.

So, that Social Security in many cases becomes a total income. Now, here is a chance, through training these people, to give them an opportunity to supplement that Social Security, to do exactly what we realized they must do—provide some other help for themselves besides the dependence on that Social Security.

You can go on and on and make the positive arguments, but you're always going to have people standing on the other side throwing rocks and trying to determine why we can't or why we shouldn't carry out older-worker programs. In reality it's foolish because it's penny wise and dollar foolish. You know, to make people self-sufficient, we try to pass laws that would change that whole situation.

In the day care area—I don't know how it is in New Jersey because I don't live in New Jersey, but in the area that I live in I know the biggest single need—the biggest single need—for young families is day care. The second statement to that is what you said, quality day care. The kind of care that the parents can go, assured that their child is being well taken care of and do their jobs, so they can continue their careers.

I imagine it's the same way in New Jersey, isn't it? That the single biggest need is day care? And here you have a lot of people.

Now, you have an acquaintance with day care centers, Ms. Obelleiro. Aren't these people natural to be trained to do that?

Ms. OBELLEIRO. Yes. Not all of the older workers, of course, choose to work in child day care. But we have found that it was what we call a reproducible experiment. We first went with Union City Day Care and we coordinated with them in all of the Title V

Older Americans Act projects and gave them enrollees—participants. They were very successful. They also were very successful at recruiting people that were interested in getting into child day care.

Then we thought we'd like to see if this works in another area. We went to the central part of New Jersey. That's in the northern part of New Jersey by New York city. We went to the central part of New Jersey, Mercer County—Trenton—and we got hooked with the Medishare Group. We were able to find many people that were interested in that.

I think the main principle behind that was that the local SDA, JTPA people, the state division on aging, and the local Title V programs, and the local agencies that work with older people, all got together to try to market the program and develop the program around the mature worker.

I think that's why it was successful, because it was really thought out. It was thought out on the issues of what would we have to do for the older worker to get them interested and to make them want to, and love it. Then we also said, well, what is there a need for? It was for the day care.

We were able to do that in some other areas with other types of programs, but not to the extent that we have with the child care programs.

Chairman MARTINEZ. I think you hit on a key too, what you do to get older workers interested. Because, you know, someone else commented on how insecure they are many times, and what they are going to lose by getting involved in any program. You know, when you get older whatever little you have, you're so dependent on that that you don't want to take any chance or risk of losing any ground that you may have.

I want to ask Mr. Schulder to get into a couple of things, the seven percent set-aside versus the three percent. The percentage of dollars versus the percentage of participation. Then, a little bit on statistics that you might have compiled as to whether the money is being used, and if it's not being used, how it could easily be used, and why we have proof that it can be used.

But, before I do that—I hope you'll keep that in mind and I'll come right back to you—I'd like to turn to Mr. Bartlett, who is not a member of the committee, but he's a member of the full committee. Mr. Bartlett has a very deep and sincere interest in these kinds of situations. I would ask him if he has any comment or question.

Mr. BARTLETT. Mr. Chairman, I do have a question. First, I have a comment for the panel on how well prepared you are. I'm quite impressed with your testimony and what you do in your own state.

I want to focus on the question of set-asides and pursue your testimony that in your judgment we ought to continue to set aside for older workers.

If the Congress were to choose to not have a set-aside in JTPA, would your state continue your successful job training plan? Would it be expanded in any way, or would it be discontinued at the state and local level if we were to not mandate a set-aside from the Federal level? Ms. Obelleiro?

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Ms. OBELLEIRO. Okay. Can I answer that? I'm Alice Obelleiro, Project Director from the SCSCP Program in New Jersey.

I would say that unless the coordination was mandated then it would probably not be as strong a link as it could be. That would be the key for us, that we would see. That if there was at least mandated coordination, which really doesn't cost too much to make that happen—I think just the effort of the people involved—then I think it would happen and I think the older worker would be served.

Of course, I would like for there to be funds for the training because I feel that the only way that we could prepare the older worker would be through the formal training. We don't like to call it that because that's not a good marketing way to get them involved.

We do want the three percent set-aside, but if it had to be removed, then I would say that we would have to mandate the coordination, we would have to try to change the performance standards for the unsubsidized placement because it would be very hard for the local JTPA people to want to coordinate with us if our client population is interested in part-time work and they can only count the unsubsidized as full-time. We're really not linked to them.

So, if you could change the performance standard, that would help us also. It would help in the effort to get them involved.

Mr. BARTLETT. If we were to eliminate the set-aside in order to keep the older worker training funding, we would have to change the evaluation of the assessment to account for older workers as a successful placement, even though it may be part-time?

Ms. OBELLEIRO. Right, even if it was part-time. Right. And we would also like that there be mandated coordination between the state unit on aging and the other Title V Older Americans Act Senior Employment Program and other mature worker agencies that deal with the older worker.

I think in the past in New Jersey we were a new member in that group, so to speak. So, we were not a full partner yet. I think we've become that, but if it was not mandated, I don't know how far that would go because their time would be spent on other issues, rightfully because of pressure.

Mr. BARTLETT. A follow-up question to that. On the set-aside do you see any indication that your three percent set-aside amount either has or may also, in addition to being a floor, has it or will it become also a ceiling? That is, the state JTPA councils and the local PICs, are they satisfied to say, well, the law says that we provide three percent and we're doing three percent. Even though we could justify five percent or ten percent, we're going to leave it at three percent. Is there a danger that your floor becomes a ceiling also?

Ms. OBELLEIRO. I would say there is a danger of that. But in some counties, especially in Hudson County and Mercer where they have a lot of experience in working with the mature worker and the groups, I would say that they would want more—you know, they would try to use more than the three percent available to them.

Mr. BARTLETT. Mr. Chairman, I might also say that the most significant thing that this Congress can do, even though it's not tech-

nically within the jurisdiction of this subcommittee—perhaps we could incorporate some backdoor way into this bill. The most significant thing we could do for jobs for senior citizens would be to repeal the earnings limitation in the Social Security Act. That is the principal barrier, and all of the job training in the world does not get around that barrier.

There have been some recent studies out that have concluded that in fact repealing the earnings limitation would increase revenue to the Federal Government because of the rather large number of persons who are deliberately holding their earnings to just below the $8,400 level.

So, Mr. Chairman, at some point perhaps it would be appropriate for this subcommittee to consider either a sense of Congress or a resolution, or some type of mechanism within this bill to at least demonstrate this subcommittee's support for that.

Mr. Schulder?

Mr. SCHULDER. Mr. Congressman, may I comment? I don't want to really sound naive, but the full committee and the Congress is considering an enormous earmark for youth. Youths, 17, 18, 19, 20 and 21. An appropriate earmark because your finding is that there are disadvantaged youths throughout the country, rural and urban, who need services. You found that you can earmark for youths.

All we're talking about here is a much, much more modest level of earmarking of funds for older workers. We already have an example of non-earmarking. It's called CETA, Concentrated Employment and Training Act. It's called the Manpower Development and Training Act, and many other programs, where despite advocacy groups like the National Council on Aging, and others, there was no earmark.

There were moral suasions on the law, statements by the Secretary of Labor and governors, and nothing happened. The last year of the CETA program had less than one percent of participants over the age of 55. At least now we've driven this up to about seven percent of all the participants in the adult title over the age of 55.

Before you came here, sir, we were talking about this and in my testimony I noted that almost three-quarters of all of the participants in the JTPA program over the age of 55 come through this tiny three percent set-aside. If you remove that and then only five percent of all the other participants in the adult program are age 55 and above, there is no doubt—I've administered programs—you know, to paraphrase a vulgarism of a former President, if you get them by their set-asides, their minds and hearts will follow.

[Laughter.]

Mr. SCHULDER. You remember. It's the one way in bureaucracy responds. Control the funds, give them the mandate, and they'll go ahead. We all believe it's a good thing so I'm sure they will do that.

I would really suggest that you take a look at the testimony of the National Council on the Aging. You'll see those charts. Unfortunately, Chairman Hawkins is not here any longer, but his assistant is here. It is true in the first two or three years, with the rest of the JTPA program, that the older worker set-aside program did not use its money. It is now running at the rate of about one and a quarter the annual allocation. In just a year from now we will have spent all of the carryover funds from the first two or three years

that we had all those carryover funds. We've run out of it. We're running at the rate of about $70 or $75 million a year right now.

It's a successful program. It's the incentive for states and local communities to link in with Title V, EDWAA and private efforts and move ahead. I don't see why people are so frightened about it. It works.

I think that it's important that the Department of Labor take a look at our testimony and the testimony of others and confirm or rebut that data. We say they're spending the money. The Chairman suggests that the program has not been spending the set-aside money and that's the main reason it's being dropped. I think there is every good cause to continue the program.

Mr. BARTLETT. Thank you. Thank you, Mr. Chairman. I yield back.

Chairman MARTINEZ. Thank you, Steve. Steve, on the back of the testimony of Mr. Schulder there is a chart which shows the increase in expenditures as the years have gone by. In fiscal year 1989–1990 they are expending 81 percent of the allocation. You can see the chart there on the back yourself.

Mr. SCHULDER. If we're wrong, Mr. Chairman, I wish the Department of Labor would show that that is incorrect. It's not that easy to get data out of the Department—you know, performance data.

Mr. BARTLETT. Mr. Chairman, with regard to that chart I do have one additional question. I confess, Mr. Schulder, I was not here for your testimony and I've not read it in its entirety.

Is there either on this chart or is there a similar chart available that demonstrates the number of permanent placements that resulted from each of these allocations by year?

Mr. SCHULDER. There could be some refinement on that. These are all just terminations from the program. Most of them are in fact placements. I would be happy to provide this subcommittee as quickly as we possibly could that additional data from the Department of Labor and the National Governor's Association. Yes.

Mr. BARTLETT. Okay. Mr. Chairman, if we could hold the record open. I'm not saying that it's not there. I just don't know. I tend to be more impressed by charts that demonstrate the success as measured in human lives, as opposed to the success that we are now expending more of our funds that were allocated to us.

I'm not suggesting that it's not a successful program, but I would like to see it in numbers also.

Mr. SCHULDER. Just one last point, sir. In this room there are a couple score people who are successful human beings because of this kind of linkage that has occurred between the Title V program and the Job Training Partnership Act Program——

Mr. BARTLETT. I did take note of that.

Mr. SCHULDER.—and there are many thousands of others around the country.

Mr. BARTLETT. I did take note of that and I believe that that's correct. If we could put it to some numbers, it would be useful for me.

Chairman MARTINEZ. If you can provide that for us, Mr. Schulder, then we'll make sure as a committee that my staff committee director, Harry Jentsen directs that to Steve Bartlett and the other members of the committee.

Mr. SCHULDER. Thank you. We welcome the opportunity.

Chairman MARTINEZ. Thank you, Mr. Bartlett. One of the things that you mentioned just a while ago—and you got into some of the things that I was going to get into—is the idea of set-asides as was argued by Chairman Hawkins—you know, that rather than counter to what Mr. Guarini said about pigeonholing and he'd rather make it all-inclusive. I don't think we really get away from pigeonholing when we say that 40 percent of the allocation will now be diverted to youth.

You have established that you need to serve a percentage of youth or a certain percentage of the dollars need to be used to service the youth. You've already done that, and you've just said that it's a very modest three percent if we were able to be successful in that.

But for the seniors, the thing I'd like you to address is how we are so inconsistent that we say we can't do this but we do do this and how we need to come together. Actually, what's going to make the people come together is the successful linking of the programs, as we've described.

Mr. SCHULDER. It would seem to me that such persons as yourself, Mr. Chairman, who are championing this cause, we don't have enough of. I again suggest that when you look at the caseload of the Equal Employment Opportunity Commission, as I mentioned in the testimony, the great growth in the work of the commission is ADEA, the Age Discrimination in Employment Act. That's where more complaints than any other, in terms of the rate of growth, are being filed.

We just think that the employment and training system in this country reflects the local labor market. Until things got very tight, McDonalds wouldn't hire that older worker. When they couldn't find a young kid because there's two million less teenagers, suddenly they got some virtue. That's what's been happening, sir.

I think the purpose of the earmarking, the purpose of holding back funds is to prime pump the system. Once the employment and training agencies, the vocational trainers, the employers, see that older workers are in fact efficient, willing to learn and can learn, and are an asset to their program, in fact they will continue this program. They will continue to involve them.

But, again, if you take a look at the labor market right now, the labor force, 36 million Americans are over the age of 45 in a labor force of about 115 million. That's almost a third, Mr. Chairman. However, if you take a look at the performance information or data from the Job Training Partnership Act, the proportion of workers being trained do not show that kind of a proportion in the Job Training Partnership Act.

All we're saying is that the programs have to regear themselves to look at the real workforce and the real participant pool in the communities. They need this stimulation. They need this coercion, if you will.

As they do it, they become, as in the case of Mercer County, New Jersey. They see that older workers are an asset, they're easy to train, the employers want them, the employers hire them and once they get them they like them. That's all this is.

If we can continue this kind of earmarking in a significant level for the next four or five years, we won't need it in six or seven years in my view.

Chairman MARTINEZ. Frank, in your experience with the Federal Government and in Federal programs, if the dollar amount as a fixed targeted amount were removed, would the service continue at the current level?

Mr. GUARINI. No, I don't think so. Not at all.

You know, when I said pigeonholing, I was referring, of course, to the philosophy of bringing the generations together. That that should not be our division of programming.

But you probably have to target funding. I agree that you're right. I imagine that we're still grossly underfunded.

Chairman MARTINEZ. See, that's the problem. That when you make a statement, you know, someone looking to prove the other side of the coin, that there is another side of the coin, is going to then jump and say, well, which is inconsistent—as I said before.

Mr. GUARINI. But you have to set criteria.

Chairman MARTINEZ. Yes.

Mr. GUARINI. Once you set criteria, then you know how much you're going to fund to. If you don't have your standards, then there is no way of intelligently funding or targeting those programs.

Chairman MARTINEZ. I maintain that you must target funds to a particular needy population. I mean, we do it all the time. We recognize that unless it's done and unless, as you said, the programs are mandated, it's just not going to happen and you're going to find a lot of people that go unserved and it's really a waste.

Mr. GUARINI. But there should be a rhyme and reason if we're going to get our best value out of our dollar and try to make it stretch as far as we can—to know exactly the identity of those standards. Then put the necessary funds that are available to make the programs work.

Chairman MARTINEZ. One of the big arguments—Ms. Davis?

Ms. DAVIS. Mr. Chairman, as indicated in my statement, you will see that predominantly we train people to be geriatric nursing assistants, but we are training under II-A basically and youth.

The reason why we started going into the older worker program is because we found that we could train all the youths and all the single mothers in the State of New Jersey that we had funding for but who was going to care for their children?

So, you can expend a lot of money into each area but it boils down to that if their children are not being cared for, they will not seek employment.

Chairman MARTINEZ. Thank you, Ms. Davis. You know, we've taken a lot of time with this panel probably because you've got a lot to offer and we need it.

I'm going to let the record remain open for two weeks and draw up some other questions that we'll submit to you in writing. If you could respond to us, they will be inserted in the record.

With that, I'd like to thank the panel and dismiss them.

Mr. GUARINI. If the Chairman would want to ask any questions as to how the day care centers work and how Union City with their good work has worked in this intergenerational problem we have—

and one thing I can say is that our country is beginning to pit generation against generation in the struggle for the dollars—you know, the seniors want catastrophic medicine, the youth want more programs because they need better job training and the young don't think there's going to be Social Security out there when they become senior citizens.

There is a fire that's being fanned by our Federal policies where one generation is going after and being dissatisfied with what's happening with the benefits of another generation. I think that this is very unfortunate, and we saw that in catastrophic medicine.

So, if you have any questions at all of these people that have been brought up from Union City and have worked very closely in this day care program which Dana Berry and the others have alluded to, I do think it would be helpful for the committee to get some insight as to what they have done. That can be done formally if you don't want to do it on the record.

I would like you to meet with them and ask some questions to just see how it worked. They took the trouble of coming down here and I'd like them to give the benefit of their experience to the committee.

Chairman MARTINEZ. Well, Frank, right after the hearing I will meet with them and get that. More than that, I would like to arrange for a field trip out sometime.

Mr. GUARINI. Right. You're more than welcome. We'll have the red carpet.

Chairman MARTINEZ. Okay.

Mr. GUARINI. You have a gold-plated invitation.

Chairman MARTINEZ. Very good. Thank you. Thank you all.

Our next panel consists of Mr. Norm DeWeaver Washington Representative of the Indian and Native American Employment and Training Coalition in Washington, D.C.; Mr. Thomas M. Dowd, Executive Director, Native Americans for Community Action, Flagstaff, Arizona; Mr. Ron Allen, Tribal Chairman, Jamestown Klallam Tribe, Board, Chair, Western Washington Indian Employment and Training Program, Tacoma, Washington; and Mr. Randy Edmonds, Executive Director, Indian Human Resource Center, San Diego, California.

Mr. DeWeaver, one moment.

Mr. DEWEAVER. Thank you, Mr. Chairman. With your permission, I'd like to have Mr. Dowd go first and give you his view from the operating end of the program.

Chairman MARTINEZ. All right.

With that, we'll go ahead and start with Mr. Dowd.

STATEMENTS OF NORMAN C. DEWEAVER, WASHINGTON REPRESENTATIVE, INDIAN AND NATIVE AMERICAN EMPLOYMENT AND TRAINING COALITION; THOMAS M. DOWD, EXECUTIVE DIRECTOR, NATIVE AMERICANS FOR COMMUNITY ACTION; WILLIAM RON ALLEN, TRIBAL CHAIRMAN, JAMESTOWN KLALLAM TRIBE BOARD CHAIR, WESTERN WASHINGTON INDIAN EMPLOYMENT AND TRAINING PROGRAM; AND RANDY EDMONDS, EXECUTIVE DIRECTOR, INDIAN HUMAN RESOURCES CENTER

Mr. DOWD. Good afternoon, Mr. Chairman. My name is Tom Dowd. I am the executive director of Native Americans for Community Action in Flagstaff, Arizona. I would like to thank you for inviting me and my associates on the panel to share our hopes, our concerns, and our ideas on how to improve the employment and training programs serving Indian people Job Training Partnership Act.

The Indian programs in JTPA have proven to be vital ones in preparing Indian people for the jobs available in today's and tomorrow's labor markets. Equally important to us is the support which JTPA can offer in the development of our communities, both on and off the reservation.

Nationally, the Indian program in Title IV of JTPA serves about 34,000 youth and adults. A wide variety of services are offered with JTPA support by 183 program grantees all across the country. These grantees include tribal governments, Indian organizations in off-reservation areas, such as my own, and by Native Alaskan groups. Tribal governments also receive funding from the JTPA Title II-B program to provide services to reservation youth.

I would like to share with you some of our own experiences with the program in northern Arizona. Native Americans for Community Action, NACA for short, is an Indian-controlled nonprofit organization. We work with Indians in the off-reservation portions of Coconino County, Arizona. I might add that it is the second largest geographical county in the Nation. Our neighbors include two of the largest tribes in the United States who have reservations immediately to the east. The largest Indian tribe in the Nation, in fact, the Navajo tribe.

In helping to open up job opportunities for Indian people, we believe strongly in the role of education.

NACA's adult education program provides Indian people with adult basic education courses and GED classes that increase their chances for employment. For Indian people to successfully compete for jobs, increased education proficiency levels, particularly in the areas of math and English, are necessary.

However, to increase literacy in conjunction with specific job skills requires long-term training. This can only be achieved by allowing program managers the flexibility to make long-term training commitments to their clients. Unfortunately, the Department of Labor performance standards and program restrictions limit the opportunity to provide the necessary long-term training.

Economic development is also vital to the Indian community in northern Arizona, as it is in every urban and reservation community. NACA's programs emphasize self-employment and personal self-sufficiency.

NACA has operated an arts and crafts vendor project in conjunction with the U.S. Forest Service for the past two years, providing jobs for over 100 Indian people. The vendors earned $1.2 million last year.

These projects demonstrate how to put people to work while directly benefitting those who need economic empowerment.

Based on NACA's successful economic development projects, we believe that in the hearts of every Native American lurks an entrepreneur. Unfortunately, program restrictions and roadblocks must be eliminated to allow creating projects to put Indian people to work.

NACA is also serving the most economically vulnerable—Indian women. We are training Indian women with limited job experiences English language skills and a little formal education to produce lures for the sport fishing market—fish flies. The fly-tying project capitalizes on the skills already possessed. Most importantly, the project gives the women pride, dignity and economic empowerment.

At NACA we support economic development projects that not only teach skills but also motivate people to develop pride and self-worth that will sustain their efforts to be self-sufficient long after the training is concluded. These projects have helped many of our job training clients find real economic opportunity.

I wish that I could tell you that JTPA played a key role in starting these projects. It did not.

We, like nearly all other Indian JTPA grantees, are very reluctant to include such innovative ideas in the plans we present to the Department of Labor for approval. DOL places special restrictions, some written and many that seem to be unwritten, on such unconventional ideas. There is a special layer of review for such ideas. All the grantees proposing them, many involving economic development projects, are routinely questioned and told to use other money to implement them.

This illustrates the seriousness and depth of misunderstanding and mistrust that unfortunately exists between Indian grantees and the many DOL offices and officials Indian programs have to deal with.

We think your bill, Mr. Chairman, will go a long way toward curing this misunderstanding. We strongly endorse the Indian provisions in the bill.

We need one office in DOL that is accountable for the development and implementation of policies affecting Indian programs. Your bill provides this.

We need Indian people, people who understand what it takes to meet Indian needs, in the DOL jobs that affect our programs. This means policy jobs, not just entry level jobs. Your bill provides this also.

Above all, we need a genuine, open, constructive dialogue between Department officials from the top down and Indian tribes and organizations that actually deliver the employment and training services funded through JTPA.

I have spent much of my own time over the last several years trying to get such a dialogue going. It has been a very frustrating experience.

To share just a small example of the problem, we spent most of one of our very infrequent meetings with DOL officials explaining why we needed regular meetings on at least a semiannual basis with agendas developed mutually and distributed in advance and with positive action taken on our recommendations. The DOL representatives said they thought some of our suggestions sounded okay, but they would have to study them. That was almost a year and a half ago. It seems like a lifetime. We have yet to have another meeting.

We strongly support the Advisory Council provided in H.R. 3266 as a way of insuring that there is a genuine partnership between Indian grantees and the Department of Labor.

Thanks again for the opportunity to share our concerns and ideas with you and express our wholehearted endorsement of your efforts to improve our programs. Thank you, sir.

[The prepared statement of Thomas M. Dowd follows:]

Statement of:

Thomas M. Dowd
Executive Director
Native Americans for Community Action
Flagstaff, Arizona

Presented to the:

Subcommittee on Employment Opportunities
Committee on Education and Labor
U. S. House of Representatives

On issues affecting:

Indian JTPA Programs

At hearings held on:

September 19, 1989

Good afternoon, Mr. Chairman. My name is Tom Dowd. I am the Executive Director of Native Americans for Community Action in Flagstaff, Arizona. I would like to thank you for inviting me and my associates on the panel to share our hopes, our concerns and our ideas on how to improve the employment and training programs serving Indian people through the Job Training Partnership Act.

The Indian programs in JTPA have proven to be vital ones in preparing Indian people for the jobs available in today's and tomorrow's labor markets. Equally important to us is the support which JTPA can offer in the development of our communities, both on and off the reservation.

Nationally, the Indian program in Title IV of JTPA serves about 34,000 youth and adults. A wide variety of services are offered, with JTPA support, by 183 program grantees all across the country. These grantees include tribal governments, Indian organizations in off-reservation areas such as my own and by Native Alaskan groups. Tribal governments also receive funding from the JTPA Title II-B program to provide services to reservation youth.

I would like to share with you some of our own experiences with the program in northern Arizona. Native Americans for Community Action, NACA for short, is an Indian-controlled nonprofit organization. We work with Indians in the off-reservation portions of Coconino County, Arizona. Our neighbors include two of the largest tribes in the United States who have reservations immediately to the east.

In helping to open up job opportunities for Indian people, we believe strongly in the role of education.

NACA's adult education program provides Indian people with adult basic education courses and GED classes that increase their chances for employment. For Indian people to successfully compete for jobs, increased education proficiency levels, particularly in the areas of math and English, are necessary. However, to increase literacy in conjunction with specific job skills requires long term training. This can only be achieved by allowing program managers the flexibility to make long term training commitments to their clients. Unfortunately, Department of Labor performance standards and program restrictions limit the opportunity to provide necessary long term training.

Economic development is also vital to the Indian community in northern Arizona, as it is in every urban and reservation community. NACA's programs emphasize self-employment and personal self-sufficiency.

NACA has operated an arts and crafts vendor project in conjunction with the U. S. Forest Service for the past two years, providing jobs for over 100 Indian people. The vendors earned $1.2 million last year. This project demonstrates how to put people to work while directly benefiting those who need economic empowerment. Based on NACA's successful economic development projects, we believe that in the hearts of every Native American lurks an entrepreneur. Unfortunately, program restrictions and roadblocks must be eliminated to allow creative projects to put Indian people to work.

NACA is also serving the most economically vulnerable -- Indian women. We are training Indian women with limited job experiences, English language skills and little formal education to produce lures for the sport fishing market -- fish flies. The fly-tying project capitalizes on skills already possessed. Most importantly, the project gives the women pride, dignity and economic empowerment. At NACA we support economic development projects that not only teach skills, but also motivate people to develop pride and self-worth that will sustain their efforts to be self-sufficient long after the training is concluded.

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We strongly support the Advisory Council provided in HR 3266 as a way of insuring that there is a genuine partnership between Indian grantees and the Department of Labor.

Thanks again for the opportunity to share our concerns and ideas with you and to express our wholehearted endorsement of your efforts to improve our programs.

Chairman MARTINEZ. Thank you, Mr. Dowd.

Mr. Allen.

Mr. ALLEN. Thank you, Mr. Chairman. You have my statement before you and I'd like to also express my appreciation for being asked to testify to you regarding our programs and what you are proposing to do with your bill in amending this law that would enhance and help Indian communities.

I'm the chairman of the Jamestown Klallam Tribe located in the peninsula at the west, the sound area in Washington State. I'm the chairman of a board of intertribal consortium that consists of 17 tribes and serves around 19 counties.

We provide a great deal of services to our people and are obviously very concerned about this bill and about how it can help us out. Specifically, I'd like to address the way that your bill can consider addressing the government-to-government relationship that we have between the Indian tribes and the United States Government.

As you know, the United States through different proclamations of various administrations and congressional laws have endorsed the government-to-government policy, the principle itself. We have worked very hard through other departments and other legislation to try to get that law and that principle implemented when it actually is being activated at the various departmental levels within the various programs that serve the Indian communities.

It's one that is very near and dear to us as we move forward towards what we consider self-determination and self-sufficiency. We find ourselves consistently in this struggle between our pursuit of becoming independent and self-sufficient and managing our own affairs, as independent governments would, as opposed to the bureaucracy trying to sustain its own life and its own role and responsibility to try to serve Indian people.

We worked very hard last year in amending the Indian Self-determination and Education Assistance Act to force the Department of Interior and the Department of Health and Human Services in implementing their programs consistent with that principle because we can always find the policies that are there, but to get those policies implemented into practical application down at the grassroots level where we are is two different things.

We found that we had to go through Congress to get the kinds of conditions that we need to get those conditions implemented and to get the bureaucrats to understand that concept, how that concept would work and that relationship and to accept it. It had to be mandated by Congress in order to get it activated.

We found it was a long-term effort, but we feel that we are making a great deal of progress in our efforts.

We feel that this bill that you're introducing can help us in that same effort with regard to the Department of Labor in the JTPA programs because it's one thing for the President to make a policy, and President Nixon did and President Reagan did, and Bush has also acknowledged that he supports this relationship and its policy. But to get the department heads to accept it and implement it, is quite another.

We constantly are trying to point out to Congress and the Administration that the conditions of Indian tribes are very unique.

We find ourselves in very remote conditions consistently and the conditions that we live under are very unique.

We have very high unemployment rates and often we find laws and regulations that are set up for unemployment rates that may be six or eight percent. Yet, we find our unemployment levels at 80 percent or 60 percent, which is incredibly high, and with the remote conditions that many of our reservations and communities live within we find it very difficult to implement this program consistent with regulations designed for other communities or other conditions.

The things that we would like to see you, Mr. Chairman, and this committee consider is ways in which you can help us make this program be established on a foundation that would acknowledge our government-to-government relationship.

We think that that can be done by institutionalizing this Native American Indian Investment Council which would provide us the forum by which we can create the dialogue with the department heads in the Department of Labor in terms of how the programs should be developed, how they should be refined or restructured so that they are practical, they are realistic, they implement the government-to-government relationship, and they can be adjusted for the special unique conditions of Indian communities.

That way, we feel that we will have established that legitimate communication, that legitimate coordination, that was reflective of the government-to-government relationship, and hopefully it will administer consistent with that principle.

We feel that if we don't legislatively create this that we will get a lot of lip service and it won't be practical, it won't be as effective as it could be and should be.

We also feel that the very structure of DOL in implementing this program is very awkward particularly in the context of dealing with Indian communities. You have all these different offices, many of whom don't communicate at all, that try to coordinate how these programs will be implemented within tribal communities. There is an incredible inconsistency of the policies or the interpretation of the policies or the rules and the regulations that make it incredibly awkward for us. We have to constantly spend a great deal of our very limited and precious resources fighting with these entities and these various individuals in trying to get them to understand the different conflicting policies or conditions that they've asked of us to implement these programs.

There exists now a division that addresses the Indian programs. We would like to see all these functions and aspects of this program be incorporated under the same umbrella so that we don't have to deal with 10 or 12 different offices that administer this program, with individuals that don't communicate very well at all.

So, if we have an Indian Division that deals with the Indian program, consolidated in that manner, then we think that the coordination and the effectiveness of serving the Indian communities is going to be much more effective .

We would also urge that you consider an Indian preference condition in filling these positions so that you end up with individuals in this particular program who understand Indian communities because we are not like other cultural communities. We are very

unique. We have very unique conditions. With the 335 or 338 tribes across the United States and 200 villages in Alaska, the 150 or rancherias in California, we have very unique conditions and you need Indian people who understand those conditions.

We would hope that the reorganization and the refinement of that system could be considered to be incorporated into this bill so that that would institutionalize that relationship. We feel it's legitimate because it will reflect the government-to-government relationship between the tribes and the United States Government.

We hope you would seriously consider these. We have worked very hard in the Department of Interior and in HHS in making them adjust their programs and their relationships with the tribes, and we feel that all the other departments, including DOL, needs to go through that same adjustment. Their relationship with tribes is very limited.

I thank you for this opportunity to provide these comments and look forward to answering any questions you may have in the future.

[The prepared statement of Ron Allen follows:]

Statement of:

William "Ron" Allen
Chairman
Jamestown Klallam Tribe
and
Chairman
Western Washington Indian Employment
and Training Program
Tacoma, Washington

Presented to the:

Subcommittee on Employment Opportunities
Committee on Education and Labor
U. S. House of Representatives

On issues affecting:

Indian JTPA Programs

At hearings held on:

September 19, 1989

Thank you, Mr. Chairman, for inviting me to participate in the Committee's hearings. Thank you also for focusing very specifically on Indian needs in these hearings and in your fine bill.

My name is Ron Allen. I am the Chairman of the Jamestown Klallam Tribe.

For a number of years I have also had the opportunity to serve as the Board Chairman of the Western Washington Indian Employment and Training Program. Western Washington is a consortium of tribal governments which provides job training services to our people in reservation and off-reservation areas in the western third of the state.

I'd like to use my time, Mr. Chairman, to talk a little about my efforts and those of my fellow Tribal Chairmen, to forge a new, true government-to-government relationship between Indian nations and the United States government. I'd like to speak specifically about what this means to JTPA and how your bill contributes to our goals.

Every President of the United States for the last twenty years has endorsed the principle of a government-to-government relationship between Indian tribal governments and the U. S. government as the cornerstone of federal Indian policy.

The last Congress strongly reaffirmed this policy in its amendments to the Indian Self-Determination Act, Public Law 93-638. I have been very active in many, many meetings with members of Congress and their staffs and with various Executive Branch agencies in shaping this legislation and deciding how it is to be carried out.

One of our major objectives is to enable tribal governments to integrate all the resources available to us -- tribal, federal, state and private sector -- in furthering tribal development activities. JTPA has to be a part of this, Mr. Chairman. Your bill would help to make this happen by reaffirming the special Indian nature of Indian job training programs.

I want to stress that the government-to-government relationship is not just a matter for the Bureau of Indian Affairs to be concerned with. It must include all federal departments and agencies, including the Department of Labor.

Last year, when your Committee approved changes to the Indian Education Act, you advanced the goal of a government-to-government relationship [illegible] Indian tribes by writing strong consultation requirements and strong provisions on Indian

preference in federal employment into that law. We are very happy to see that your bill would incorporate similar provisions into the JTPA law.

We need these provisions. The Labor Department has yet to adopt a government-to-government relationship approach to its dealings with tribes on JTPA. A recent experience involving my own organization, Western Washington Indian Employment and Training Program, illustrates the point.

Our financial affairs are overseen by an independent Certified Public Accountant, retained in accordance with standard federal requirements under the Single Audit Act. Some months ago the Labor Department sent in DOL monitors to visit our program. These monitors came from two completely separate offices. Although the people involved were not CPAs, they questioned a number of our financial practices, including ones previously examined and approved by the CPA firm.

Then the Labor Department sent staff auditors from its Office of the Inspector General to review our program. The DOL auditors, like the CPA firm we retain under the Single Audit Act, gave us a clean bill of health.

Despite this, the DOL monitors insisted that we had problems and that, in effect, even the Department's own auditors were wrong. They tried to hold up our funding.

Eventually this mess was resolved satisfactorily and in our favor by a DOL official in still another office. He discovered that he wasn't getting the full story from all the different DOL offices that had gotten involved. Our funds were released.

Mr. Chairman, this is not the way one government deals with another government. That's not the way DOL treats other types of governments.

DOL's approach needs to change. By helping to centralize the policy responsibility for Indian programs in one office and insisting on an Indian preference policy, HR 3266 would provide these changes.

DOL's performance standards system illustrates another aspect of the problem. In planning what we are going to do with our scarce JTPA resources, we have to think first about what we need to do to satisfy our performance standards and only later about how the money can strengthen tribal development efforts.

That would be less of a problem if the performance standards were built with Indian circumstances in mind, as the JTPA law

already requires, but they're not. I understand that the system was put together by a consulting firm with no experience with Indian job training programs. The results show what happen when Indians are deliberately excluded from the development of policy affecting Indian programs.

Tribes with unemployment rates estimated by the Bureau of Indian Affairs to be in the 80% to 90% range are given standards which assume the unemployment rates involved are 6% to 8%.

Things like this wouldn't happen if there were a real partnership, a true government-to-government relationship that included a serious consultation process. Consultation, ongoing face-to-face dialogue with federal officials seriously listening to and adopting tribal recommendations, is an essential feature of any sound relationship.

Your bill would solve many of the problems I've described.

It would centralize accountability for DOL policies and dealings with Indian tribes and organizations in one office -- an Indian office. It would give this office a direct relationship to the Assistant Secretary of Labor for Employment and Training -- the principal DOL official in charge of all JTPA matters.

It would require that DOL follow a policy of Indian preference in personnel actions at all levels, including the hiring and promotion of staff with direct policy responsibilities for our programs. You mandated such an arrangement in the Indian education field. It works. It should be extended to the employment and training field.

And your bill would help to create a constructive consultation process, in part through a formal Advisory Council structure. Your provisions are key to insuring the independence of this Council and its accountability to the people it represents -- the tribes and organizations actually providing JTPA services.

Thanks for all your efforts on our behalf. Please continue your discussions with us. Come see our programs. Share the pride we have in helping Indian people succeed in today's labor markets and become the leaders in those of tomorrow.

Chairman MARTINEZ. Thank you very much, Mr. Allen.

Mr. Edmonds.

Mr. EDMONDS. Good afternoon, Chairman Martinez. I bring to you warm greetings from the Indian community in Southern California.

I am Randy Edmonds. I serve as the Executive Director of the Indian Human Resource Center, San Diego, California. We provide JTPA and related services to our Indian people in the off-reservation portions of San Diego County. For many years I have also worked very closely with the Indian groups in the Los Angeles area.

I want to talk to you for a minute or two about how there became such a large Indian community in the urban areas of Southern California.

In 1952 a relocation program was established by the Bureau of Indian Affairs to bring American Indian families and individuals from reservations and Indian communities into the urban areas for assimilation into the mainstream of society. From these first pioneers, many stayed in the urban areas and have remained there raising their families and teaching them the way of the dominant society.

In the early years of relocation, after the BIA released us from its responsibilities, many individuals began to take charge of their destiny by providing resources and information to other American Indians, utilizing the experiences gained in lifestyles in urban areas on how to make the transition from one environment to another.

Out of these experiences we fought to build Indian organizations to serve the needs of our people, starting on the streets of Los Angeles. That struggle continues to this day as more Indian people come into Southern California in search of work. JTPA is a crucial element in meeting their needs.

My own organization, the Indian Human Resources Center, Inc., is ten years old this month. It owes the success of this longevity to community support, Indian and non-Indian and to a commitment by board members and staff to provide the best sources of training and employment opportunities to American Indians by sensitizing the private and public sector to hire American Indians.

We have set up the Indian Center Task Force which includes all Indian service agencies to take on the economic and social barriers that we face in our transition into this society. We have established linkages with all human services to assist in providing the proper care for our people. We are in the process of sensitizing the local, state and Federal Governments about the needs of American Indians.

JTPA is also critical to getting involved in other aspects of employment issues. For instance, I am currently serving as the Chairman of the Equal Opportunity Program Commission for the City of San Diego. I am the first American Indian that's ever held that position. This gives me a chance to work closely and cooperatively with all groups—Chicanos, Blacks, and Asians—in opening up job opportunities for everyone.

I support the many good things in your bill, H.R. 3266. We believe in Indians helping Indians. That's what the Indian section of your bill is all about.

It requires that the Department of Labor coordinate and administer the Indian JTPA program through an Indian office with Indian people leading it and working for it. Your bill requires that the Indian people in the Indian office in DOL engage in a full and open discussion with the Indian tribes and organizations who actually provide job training services. We support all these aspects of H.R. 3266.

As the committee moves forward to write new changes into JTPA, please reinforce the fact that this is an American Indian program. It exists as a special national program only because of the unique historical and legal relationship between the Federal Government and Indian tribes and Indian people. We believe that this is an appropriate arrangement and that it should stay that way.

There has been a tendency to overlook this unique relationship by trying to change the meaning of the term Native American. These words have been defined to mean the indigenous people of North American, Indian, Eskimo and Aleut. However, there now seems to be a move to change these words to include non-Indian people as eligible for Indian programs.

In San Diego, we see non-Indian people coming to our organization and saying, "We're Native Americans too. We were born under an American flag. That makes us Native Americans. We want services from your program."

We have clarified matters in San Diego by calling American Indian just that, American Indians. This makes clear that the jobs and programs which are being provided for Indians are really available to Indians.

I am aware that a JTPA bill developed in the Senate Labor Committee would call American Samoans "Native Americans" as a way of opening up the Indian program to them. Now, we understand that American Samoan people need employment and training services. We support their efforts to obtain Federal help to address their needs, but we don't think the way to do this is to call Samoans Native Americans so that they can receive program services provided for Indian people.

To do this would just cause friction between our two communities and set us against one another when we need to be working toward a common goal of development for both our communities.

We hope you will oppose any attempt to open up the Indian programs to non-Indians. Please look closely at the 78 page report of the Comptroller General of the United States. His report to the Congress, GAO/HRD 88-1, dated December 1987, is entitled Job Training Partnership Act: Native American Status for American Samoans Appears Unwarranted.

Indian job training programs run by Indian organizations and providing services specifically designed to meet the needs of Indian people are even more vital than ever as we face the challenges of a new high-tech labor market. We thank you for working with us to help make our programs even better.

[The prepared statement of Randy Edmonds follows:]

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Randy Edmonds
Executive Director
Indian Human Resource Center
San Diego, California

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Indian job training programs, run by Indian organizations, and providing services specifically designed to meet the needs of Indian people are even more vital than ever as we face the challenges of a new, hi-tech labor market. We thank you for working with us to help make our programs even better.

Chairman MARTINEZ. Thank you, Mr. Edmonds.

Mr. DeWeaver.

Mr. DEWEAVER. Thank you very much, Mr. Chairman. My name is Norm DeWeaver, and I've had the privilege to work with Indian tribes and organizations on job training programs since CETA was first enacted in 1973.

Thank you very much for inviting me as a part of this panel. I would like to express our very deep appreciation for your willingness to take leadership and to champion our cause and for the continuing interest of the subcommittee's fine staff under your direction.

I would like to also note that this is the first time in these many years that we've been able to present this comprehensive a picture of Indian programs to the committee, and we appreciate that.

I have a fairly lengthy prepared statement and I would appreciate your entering it in the record. I would like to just summarize it very briefly.

Our statement is intended to address an issue which we sometimes face in terms of why, if there are problems between Indian grantees and the Department of Labor, why don't you just go over to the Labor Department and try to work those out.

The truth of the matter, Mr. Chairman, is that we have tried. We have tried again and again and again and again and again for a number of years now.

Our experience with the performance standards system perhaps illustrates the current problems and why we need more congressional guidance and more congressional direction in the law as well as any.

The performance standard system that's used for Indian grantees has many problems with it. We took a poll not too long ago and discovered that 94 percent of the grantees felt that the performance standards system developed by the Department of Labor for Indian programs is bad for Indian organizations.

The performance standards system is controlled by three totally separate offices, the Indian performance standard system is controlled by three totally separate offices within the Department of Labor. One office develops the model working in conjunction with the contractor, and two other offices have various roles in implementing it. To our knowledge, none of the people in any of these offices has any direct experience at the tribal or Indian organization level in the administration of programs and the delivery of services for Indian people.

This means that they do very strange things. For instance, in the current system that's used, Indian tribes that have unemployment rates in their reservation areas estimated by the Bureau of Indian Affairs in the vicinity of 80 to 90 percent are working under performance standards which assume that the unemployment rates are in the vicinity of six to eight percent—not the 80 to 90 percent which BIA says they are.

We have tried to have a conversation with the Labor Department on these issues. We had a discussion two years ago and suggested that there be a joint grantee Labor Department study of what the performance standards system is actually doing to services for Indian people. That was two years ago. We made a formal written

request a year and a half ago. We have never received a response to that request.

In the meantime, the Labor Department continues annually to publish their specifications for the system. The last time they did this, they gave Indian grantee exactly two weeks from the date the notice appeared in the Federal Register to respond. Most grantees didn't even receive the notice before the deadline had passed.

Labor, in its latest congressional correspondence, is blaming grantees, blaming the victims for the delay. We illustrate that this shows why the consultation provisions, why the provision strengthening DINAP, why the provisions requiring that Labor have people familiar with Indian programs are all very much needed.

We fully support the Indian provisions in H.R. 3266 and we certainly encourage you to pursue them, and we would hope that the full committee would adopt the very fine positions which you have put forward.

Thank you very much, Mr. Chairman. We would be very happy and delighted to answer any questions you might have.

[The prepared statement of Norman DeWeaver follows:]

Statement of:

Norman C. DeWeaver
Indian and Native American
Employment and Training Coalition
Washington, D. C.

Presented to the:

Subcommittee on Employment Opportunities
Committee on Education and Labor
U. S. House of Representatives

On issues affecting:

Indian JTPA Programs

At hearings held on:

September 19, 1989

Thank you, Mr. Chairman. My name is Norm DeWeaver. I have been involved with Indian job training programs since Indian programs were first authorized in the Comprehensive Employment and Training Act of 1973. I have served as the Washington contact point for the Indian and Native American Employment and Training Coalition since its inception in 1978. The Coalition is an informal information network linking Indian job training grantees.

Thanks for inviting me to be a part of this panel. I would also like to express our deep appreciation for your leadership, Mr. Chairman, on issues of great importance to the Indian job training community and for the continuing interest of the Subcommittee's staff under your direction.

My associates have spoken about their accomplishments and concerns from the perspective that counts the most -- the point where job training, education and employment services meet Indian workers. I would like to join in their endorsement of the Indian provisions of your bill, HR 3266, and provide some historical detail on why these provisions are so necessary.

Division of Indian and Native American Programs

Section 10 of HR 3266 would provide specific authorization for the Division of Indian and Native American Programs (DINAP), a longstanding unit in DOL's Employment and Training Administration. It would provide for a direct relationship between the Division Director and the Assistant Secretary for Employment and Training. It would define the responsibilities of the Director of DINAP in such a way as to insure that the Indian Division is fully accountable for the Department's administration of Indian programs.

In 1973, when CETA was first passed, Congress indicated that it wanted Labor to handle Indian programs in this way through language carefully shaped in this Committee. In 1982, a bipartisan effort resulted in strengthening this language and inserting it in Section 401(e) of JTPA.

However, starting in mid-1980, the Department moved in the opposite direction. Over the next several years it effectively stripped the Division of any real control over program policy and most other functions that impact Indian tribes and organizations operating job training programs.

In 1984, an internal DOL reorganization created a duplicate monitoring unit to oversee grantee compliance with DOL

requirements. Later that same year, things reached the point where a totally different DOL unit, the one handling grant close-outs, routinely disallowed every cent legitimately spent by over 50 Indian grantees during the previous three years without even telling DINAP what it was doing.

The situation has not improved any since then. There are currently eight or nine separate staff units within ETA alone (not counting staff in the Solicitor's office and the Office of the Inspector General) that have substantial control over Departmental policies or actions which directly affect how Indian tribal governments and organizations can run their JTPA programs. I will be happy to furnish you with a listing of those offices and their positions on the ETA organizational chart.

This lack of overall accountability within DOL for its dealings with Indian grantees results in policies that conflict with each other, that don't make any sense, that force tribal governments and off-reservation organizations to separate their job training efforts from other activities with which they should be linked.

Indian JTPA Directors spend much of the time they could be devoting to improving their services to petty paperwork to conform to a host of unrelated policies and to satisfy monitors from three separate offices, all of whom become involved in matters that are already overseen by independent CPA auditors retained by every grantee in compliance with the Single Audit Act.

That's why we need the provisions of HR 3266 relating to the Division of Indian and Native American Programs.

Indian Preference in DOL Employment related to Indian Programs

In 1973 the CETA law required that Labor use staff with "particular competence" in Indian employment and training programs to administer those programs. The first Director appointed to head the Indian Division was Indian. By the end of the 1970's about 40% of the staff in the Division was Indian.

In 1982 Congress repeated this "particular competence" requirement by incorporating it into JTPA.

However, in the early 1980's deliberate management decisions, combined with the impact of several Reductions-in-Force, radically altered the staff composition of DINAP.

This Committee noted these problems in the Report it issued on the 1986 JTPA amendments. House Report 99-754 said:

". . . the Committee directs the Secretary to insure that a substantial proportion of the staff responsible for each of the functions specified in 401(e) have experience in the delivery of employment and training or related human resource development services at the Indian or Native American community level."

At present, 16 years after Labor was required to use staff with "particular competence" in administering Indian programs, DINAP employs a total of 6 Indian people in its 23 or 24 authorized positions. All but one are in relatively entry level jobs. None has any policy authority whatsoever. Three of the 6 were hired recently, after continuing grantee complaints on this issue. None of the 7 or 8 other ETA offices that substantially controls policy for or otherwise deals with Indian grantees has any Indian staff at all.

The permanent appointees who head Indian units in several parts of HHS, the Department of Education, HUD and, of course, in the Department of the Interior, have long all been Indian. From these positions, they exercise virtually full control over the dealings between those agencies and Indian groups.

Not so at the Department of Labor.

It makes a difference. People who don't know what goes on in tribal governments and reservation areas or in the Indian communities elsewhere are simply not in a position to understand the consequences of the policies they develop. That's why we need the Indian preference in employment provisions in HR 3266.

Consultation with Indian Grantees

Throughout the 1970's there was a history of frequent contact between Indian grantees and policy level officials in DOL. In 1982 Congress recognized the importance of this consultation by requiring it through language in Section 401(h)(1), language written in this Committee.

Indian groups were actively involved with Department officials in the development of the Indian JTPA regulations and in the initial stages of the development of the Indian performance standards system.

By the mid-80's the Department's attitude toward working with grantees on the shaping of program policies seemed to shift. An informal advisory committee that was created by Labor and supposed to meet twice a year wound up usually meeting about once every two years instead. At those meetings, grantees were reduced to reacting to policies DOL had already decided to

implement, and did implement regardless of grantee opinions. DOL policy level officials frequently didn't even sit in on much of the meetings, missing most of what grantee representatives had to say. At some meetings, DOL didn't even distribute the agenda for the meeting until it started. The last regular meeting of this group was almost two years ago.

Labor promised to appoint another, more formal Indian advisory committee in the spring of 1988. After that time, Labor did appoint an advisory committee to look at the state-administered JTPA programs. That committee meet a number of times, held various hearings and delivered a report to the Secretary. In contrast, the Indian advisory committee promised a year-and-a-half ago has never even been appointed.

Labor argues that it has fulfilled its obligation to consult with Indian grantees if it publishes a Notice in the Federal Register, calling for comments on a complex subject like performance standards within 14 days. Grantees don't even get a copy of the Notice until just before or even after the deadline for comments has passed. This has now happened twice, once in 1986 and again earlier this year.

That's why we need the consultation language in Section 10 of HR 3266, including the independent Advisory Council directly representative of grantees and having clearly defined duties.

Additional Issues

I would like to touch briefly on several other issues which, though not part of HR 3266, are raised in other proposals to amend JTPA now pending in the Congress.

HR 2803, the Administration's JTPA proposal, and the package of JTPA amendments recently reported in the Senate Labor Committee would substantially restructure the relationship between adult and youth programs in Title II. Although this might not appear to involve Indian JTPA programs at all, it could have a radically destructive effect on Indian programs unless certain technical changes are made in the Indian funding provisions in the Act.

The funding formula for Section 401 programs is directly tied to the sums available in Title II-A. Indian tribes, Native Alaskan organizations and the one Native Hawaiian grantee also receive direct federal funding under Title II-B.

If the Committee transfers all youth programs from Title II-A into II-B, we ask that you rewrite the funding formula along the lines adopted by the Senate Labor Committee. This

would ensure that no inadvertent harm is done to the program services for both Indian youth and adults.

The Secretary of Labor and others have eloquently argued for a special demonstration program to make a more concentrated effort to improve the career prospects of disadvantaged youth. We support this and ask that you insure direct Indian funding under this program by creating a special Indian component in it. This approach is consistent with the government-to-government relationship Chairman Allen has already discussed and is fully consistent with the special Indian funding provisions of many years of youth program legislation crafted by this Committee.

Finally, one of my associates on this panel has already described the strong and universally shared feelings in Indian Country that non-Indian groups should not be added to the Section 401 program.

I would also note in this connection that American Samoans are already receiving $2.5 million a year in special job training assistance available exclusively to meet their needs through Title II of JTPA. The Senate Appropriations Committee now wants to increase this to $3.5 million.

If Samoans were included in the Indian Section 401 program, even under the increased funding formula in the reported version of S. 543, they would only get about $1.6 million. Samoan needs are already being met at proportionally much higher funding levels than provided for existing Indian and Native American constituencies. Why, considering all these factors, should they now be defined as eligible for Indian JTPA services?

Thanks very much for providing the opportunity to put these matters in the record. I will be happy to answer any questions you might have on any of these issues.

Chairman MARTINEZ. Thank you very much for that excellent statement, Mr. DeWeaver.

First off, I think it's tragic that it almost—I'm going to give them the benefit of the doubt and say it seems to be that the Department of Labor has really very little respect or regard for the most indigenous people in this country that they don't even communicate or respond to communications, or make even a better effort to make sure they understand the problems and are dealing with the problems.

One of the things you mentioned about the experience, you know, in our bill we do require that all professional staff of that division shall have the professional field experience in the daily operation of service and training programs for Native Americans.

One of the things that we have developed a lot of this on is from our consternation over the fact that wherever you go in this country of ours and you visit where the Indian people are living in this country, that there is massive unemployment there. That doesn't have to be.

I remember years ago, before I even was on the City Council in Monterey Park, starting into my government service activities, reading about a carpet mill called Sequoia which was on an Indian reservation. Very successful and where initially the management people that were brought in were brought in to train the Native Americans themselves. They did. Within a short five-year period it was completely run and operated by Native Americans.

That mill grew to be the seventh largest carpet mill in the country. Now, that's quite an accomplishment, which proves it can be done.

So, we have had successful experiences. The trouble is that we've not made a concerted effort to do it elsewhere and to follow up on a lot of the successful programs that we have seen. It just seems to be—like I say, it seems because I would hate to believe that it's a contemptuous disregard. So, I'm going to say it seems to be a contemptuous disregard only because I'm being charitable because if you really examine the facts, someone less charitable than that would say there is a contemptuous disregard.

It is funny that we have never in the history of our country ceased to ask minorities and people who are not treated as completely equal to give of their life's blood to defend this country. In World War II in the South Pacific you all know that the greatest contributors to the success of the movements of our forces were because of the Navajo Indians and other Indians because the Japanese couldn't understand what they were saying and there was no code that they could break. It was the language that they didn't understand. It saved a lot of lives.

We certainly know about Ira Behaze who was one of the heroes at Iwo Jima in raising the flag and won the Congressional Medal of Honor. Yet, no matter how many sacrifices they make, we seem completely unwilling to recognize their right to have a quality life for themselves, and we do not do the things we have to.

I am attempting in this bill to correct some of that. The direct dialogue that you talk about, that requirement is in the bill.

I'm going to need a lot of help to get this thing passed. I don't kid myself that there are a lot of people on both sides of the aisle

that are going to be irresponsible and try to find arguments and reasons why this should not be done.

Has the Department of Labor, have they made any comment on this provision? They'll probably wait until the last minute and shoot me with both barrels of the shotgun, but hopefully we will be successful.

I think that we have come to an enlightened age that when we speak of rectifying the wrongs of the past we speak of rectifying all the wrongs of the past.

Let me ask you this. You mentioned policies. I remember a while back when Mr. Williams of Montana, my colleague, was on the floor decrying the lack of policy implementation. You know, elected officials really in a way are policy-makers. They establish the policy by passing the laws and then the implementation of them is left to the bureaucrat, the professional bureaucrat. When you use the word professional, in some instances you have to use it very loosely.

I don't want to chastise a whole group of very professional people in a lot of our government agencies that really are dedicated, and there are. But there are some, and sometimes because they might be influenced by administrative appointments, that they subvert or negate the effect of a policy established by the Federal Government.

One is in programs like JTPA to serve the Native Americans, there was definitely a policy established by the Congress and signed into law by the Administration that said that these special considerations should be made. Yet, what I am hearing here is that in every instance—not in some instances, but in every instance—there has been a total disregard of that policy.

To not respond even to communications and to suggestions that you've made because you understand the problem to a greater extent, to the fact that simply as good management, you would think that the Department of Labor would have their people develop that expertise they need by being with as much as possible the actual situations that they're going to have to make decisions about.

I find this, from your testimony, not to be true. Am I understanding this right, Mr. DeWeaver?

Mr. DE WEAVER. That's correct, Mr. Chairman. There is a tendency every time an issue arises to look at it strictly from a Federal point of view. What do we think we've got to do, on the Department of Labor's side, to make grantees tow the line on this, that, or the other thing?

There has practically never—certainly not in the last five years—been any effort to look at the program from the Indian side and say what has to be done to make this program work effectively in Indian communities, to tie it to the other Indian programs, as Chairman Allen points out. Instead, it's always a matter of what are the bureaucracy's needs, their timetables in terms of what grantees have to do. On the Department of Labor side there are never any timetables.

We feel that a constructive dialogue by people in the Department of Labor that actually understand how these programs operate is what's needed and would cure those problems.

Chairman MARTINEZ. Mr. Dowd.

Mr. DOWD. It's unfortunate there is not a vacuum or a lack of Indian expertise in the field to tell you how a program should operate based on their experience, and many, many years of it. It's unfortunate that we have to come before you, and we certainly applaud your championship and leadership in this bill, to ask for fundamental structural changes within the Department of Labor to simply communicate.

It's unfortunate that life boils down to will somebody listen to somebody else, and will they take the advise of people who know what's going on.

Chairman MARTINEZ. If I had my druthers and I were an agency head, like the Secretary of Labor, I would make sure that I appointed people into those positions that were sensitive and that cared. You see, this whole thing matters down to an attitude.

Mr. DOWD. Right.

Chairman MARTINEZ. An attitude of really not caring. Somebody has got to put a fire under their feet and make them care and understand.

Mr. Allen.

Mr. ALLEN. My feeling is—and the reason I made a comment that I would hope that the relationship between the tribe and the Federal system could be institutionalized for force the dialogue between us to resolve these issues—if we don't do it, just like the DOL had proposed to establish an advisory council between the tribes to help resolve this issue a year and a half or so, they've never come close to implementing that.

The other part of the problem is the skepticism that the tribes have with regard to any kind of effort like that that's initiated by the Department. If it's institutionalized and the consultation leadership comes from the tribes, the tribes are going to have a great deal more confidence about the kind of dialogue that will be conducted between them as opposed to bureaucratically handpicked people who may not have the same interests as the tribal communities.

So, that's one of the reasons that it's critical to this—that they, for whatever the reasons are, just do not have a great deal of desire to institutionalize it. They even have their own departmental survival premise that they move on. So, this issue of these different offices that we struggle with, there won't be a desire to move in that particular direction.

Chairman MARTINEZ. That's a good point.

Mr. Edmonds.

Mr. EDMONDS. Looking at the way the organization is set up in the Department of Labor, you see this big maze of organization. Within this, fits DINAP, the Division of Native American Programs. The gentleman that runs that is called the Chief of the Division of Native American Programs.

Where I come from, the chief takes control and charge of all the things that happens to a particular tribe. This young man that works in this particular position is not an Indian and he reports to a person higher than him that has no authority to make any kinds of decisions that affect Indian programs.

Within that also are nine other players that become a part of DINAP. Those players, of course, are not familiar with Indian programs, not familiar with the geographics of Indian culture and traditions, and have never been. They may have went to school for two weeks up north somewhere at some school and took a little Indian studies, but that does not allow them to know what Indians are about.

Also, the IG's office and the Solicitor's office are also a part of that. So you're looking at about nine or ten different players within the Division of Native American Programs.

What we would like to do is have that as a part of your advisory committee that you propose that would put us closer to the Assistant Secretary of Employment and Training where we could advise and have some consultation that would go on to the Congress of the United States where our relationship is as Indian people.

Chairman MARTINEZ. What we attempt to do in the legislation is all the little boxes that you have in there, to throw those out, eliminate them, and make a direct contact.

I'm going to have to apologize to this panel because we have a vote which the second bell has gone off, giving me ten minutes to get there. Then there is going to be a five minute vote following that. So we'll probably be in recess for 15 minutes.

I want to thank you again and assure you that we will have a continuing dialogue, unlike the one you've had with the Department of Labor, until this thing is finally accomplished.

Thank you.

Mr. EDMONDS. Thank you.

Mr. DEWEAVER. Thank you, Mr. Chairman.

Chairman MARTINEZ. I would like to apologize to the next panel. There will be about a 15 minute recess.

[A brief recess was taken.]

Chairman MARTINEZ. At this time I would like to call the meeting back to order. We will see if our witnesses are still with us.

Mr. Lee Crean, President of the National Association of Education and Training Contractors, Washington, D.C.; Mr. Robert Sherer, Executive Coordinator, Michigan Occupational Information Coordinating Council, Lansing, Michigan; and Mr. George Ortiz, President of the National Council for Farmworkers Programs, Santa Rosa, California.

Mr. Crean, let's start with you.

STATEMENTS OF C. LEE CREAN, PRESIDENT, NATIONAL ASSOCIATION OF EDUCATION AND TRAINING CONTRACTORS; ROBERT SHERER, EXECUTIVE COORDINATOR, MICHIGAN OCCUPATIONAL INFORMATION COORDINATING COUNCIL; AND GEORGE ORTIZ, PRESIDENT, NATIONAL COUNCIL FOR FARMWORKERS PROGRAMS

Mr. CREAN. Good afternoon, Mr. Chairman. I am Lee Crean, President of the National Association of Education and Training Contractors. We are a new organization comprised solely of high caliber for-profit companies which conduct training services under JTPA and other Federal education and training programs.

Mr. Chairman, I have prepared a written statement for the record, but will confine my testimony today to the major point of focus of our membership.

Chairman MARTINEZ. All written testimony will be entered into the record in its entirety.

Mr. CREAN. I understand. Thank you.

Our association was formed primarily to provide a strong voice in Washington and in the state capitols for those of us whose singular role is to provide training and educational services and who have no role or responsibility whatever in designing, managing or administering the state and Federal job training or education programs under which we operate.

We believe that as the primary delivery vehicles for direct education and training services to JTPA participants our members are uniquely qualified to offer valuable insights and informed recommendations which can substantially assist Congress and the Executive Branch to further improve JTPA and enhance its qualitative outcomes, particularly for our most severely disadvantaged participants.

Mr. Chairman, the members of the NAETC comment you and Chairman Hawkins for your efforts to strengthen accountability under JTPA. We also support the efforts of the Assistant Inspector General, Gerald Peterson, whose diligent work in the field has produced information and insights which will be invaluable to the Congress as it seeks to further improve JTPA and enhance the quality of its results in terms of more effective training for the hardest to serve individuals in our society.

Mr. Chairman, the members of NAETC firmly believe that increased emphasis on accountability and program results is in the best long-term interests both of the JTPA programs and our association members as well. Our members take great pride in the fact that they operate high-caliber training programs. They have been as dismayed as you and the Inspector General Peterson have been to see the encroachment of inferior training products which have gained SDA acceptance solely on the basis of their purportedly cheap price.

Indeed, a lot of very costly mistakes have been made under these so-called economical programs. The tragedy is that these mistakes have ended up hurting the very people that the JTPA program was created to serve.

A renewed emphasis on program results and accountability will substantially help reputable training contractors to do a good job under JTPA. In keeping with this new focus, our association urges this subcommittee to adopt clarifying language which will assist those of us in the private sector training field who are committed to excellence and results.

We need a little helping hand in the form of some realistic definitions for training and administration, as well as some fair policy guidance and interpretations on performance-based contracts.

We also need an explicit directive from Congress to the Employment and Training Administration of the Department of Labor to reinsert itself back into the role of provider of technical assistance and an interpreter of its own regulations.

With respect to the definition of training, the association believes that there is a compelling need for a JTPA statutory definition which recognizes the unique role of private sector training companies. Our members do not administer JTPA programs, nor have we been incorporated to provide a wide range of social or supportive services to JTPA participants or other individuals. Our NAETC member companies have a single mission. We conduct training and education.

On the issue of technical assistance, Congress must insist on a clear line of authority and responsibility for the Secretary of Labor and the governors to provide technical assistance to the local service delivery areas, particularly with respect to the new procurement and contracting interpretations that have resulted from DOL's policy issuances of March 13th relative to fixed unit price performance-based contracts.

Right now we have literally hundreds—and I mean that literally—hundreds of different interpretations being enforced at the state and SDA levels. One of our members reported to me recently that for a single training package that has been an integral part of his company's training product line for many years, he has had to negotiate 20 different versions of performance-based contracts to meet 20 different interpretations by local SDA's with whom he does business. My own company has had to do the same for about different SDA's.

Mr. Chairman, this represents wasted administrative time that neither the JTPA program nor the private training contractors can afford.

Mr. Chairman, this is my 25th year in the job training business and I have been a community action agency director, chairman of the State Manpower Council in Indiana. I was the state CETA director in that state for six years almost. I was a consultant to the Assistant Secretary of Labor here in Washington for a couple of years and have been operating programs as a contractor now for the last nine years.

In all of those 25 years I have never seen as chaotic a situation as we have out there today. It defies description almost. That was a personal aside. It's a mess.

Mr. Chairman, our association really looks forward to the opportunity to work in close cooperation with you and your staff and with the staff of Assistant Inspector General Peterson toward the creation of model procurement and contracting procedures. In fact, NAETC will soon embark on a project to develop our own voluntary standards for the training industry. We believe that by working together everyone in the JTPA system will benefit.

If I may, just a personal postscript to an earlier testimony, we also operate a few older worker programs as contractors around the country. My own personal opinion is that if you don't have set-asides, older workers are just not going to be served in the way that we are doing it now.

I have operated them both ways. I've done it when there were set-asides. I've done it when there weren't set-asides. Even within my own company, in getting the people, if they weren't totally dedicated to that client group, it just didn't happen. That was my own personal postscript. It had nothing to do with my testimony.

Chairman MARTINEZ. Adding to that, you know, I have seen it in the time I've been in government, both from a local perspective serving on local government, through the state to the Federal Government—is that unless you do definitely set aside and make certain mandates it's not going to happen because other priorities come up. You can always find local governments that don't want to do something finding finding plenty of reasons why there are other higher priorities.

Mr. CREAN. Absolutely. Mr. Chairman, I would be pleased to respond to any questions that you may have regarding our position on these issues and we really sincerely do appreciate the opportunity to be here today.

Thanks very much.

[The prepared statement of C. Lee Crean follows:]

NATIONAL ASSOCIATION OF EDUCATION AND TRAINING CONTRACTORS

Testimony of

C. Lee Crean, Interim President

National Association of Education and Training Contractors

Before the

House Subcommittee on Employment Opportunities

Washington, D.C. - September 19, 1989

NATIONAL ASSOCIATION OF EDUCATION AND TRAINING CONTRACTORS

TESTIMONY OF
MR. C. LEE CREAN, INTERIM PRESIDENT
NATIONAL ASSOCIATION OF EDUCATION AND TRAINING CONTRACTORS

Good afternoon, Mr. Chairman and distinguished Members of the Subcommittee. I am C. Lee Crean, Interim President of the National Association of Education and Training Contractors. We are a new organization, comprised solely of high-caliber, for-profit companies which conduct training services under JTPA and other federal education and training programs.

Our Association was formed primarily to provide a strong voice in Washington and in the State capitols for those of us whose singular role is to provide training and educational services, and who have no role or responsibility in designing, managing or administering the state and federal job training or education programs under which we operate.

We believe that as the primary delivery vehicles for direct education and training services to JTPA participants, our members are uniquely qualified to offer valuable insights and informed recommendations which can substantially assist Congress and the Executive Branch to further improve JTPA and enhance its qualitative outcomes -- particularly for the most severely disadvantaged participants.

Mr. Chairman, the members of NAETC commend you and Chairman Hawkins for your efforts to strengthen accountability under JTPA.

The members of our association take great pride in the fact that they all operate high-caliber education and training programs. In fact, in order to be approved for membership in our organization, applicant companies must pass muster with our credentials committee. We are deeply committed to a uniform standard of excellence, and we believe that JTPA's future as a viable and respected program depends upon our collective resolve -- yours and ours, Mr. Chairman -- to weed out the inferior, the unscrupulous and the incompetent from the education and employment contractor community. Toward that objective, our Association will soon begin work on voluntary standards for our training industry. We intend to seek input from the Employment and Training Administration and the Inspector General of the U.S. Department of Labor in this endeavor, and you can be sure that we will keep this Subcommittee fully informed on our efforts.

As you can see, Mr. Chairman, the members of NAETC are your allies in the effort to improve the qualitative results of JTPA training expenditures.

NAETC is ready, willing and able to assume a leadership role for the training industry, and to set a positive direction for the future that can be followed by other existing companies that are seriously interested in improving the quality of their

training products, as well as new companies coming into the field who want to start out on the right footing and succeed through good performance.

This Subcommittee could help NAETC immeasurably in the achievement of its mission by focusing legislative and policy attention on four key issues that we believe must be addressed by Congress in order to ensure that the kind of training which you envision for those most in need can be delivered competently and at reasonable cost by the best possible service providers.

* First, there is a critical need to include a rational and realistic definition of training in the JTPA statute. Congress saw fit to include a definition of "supportive services" in the original JTPA authorizing legislation, but inexplicably, "training" was never defined in the legislation -- despite the fact that JTPA is principally a job training program.

The Department of Labor further compounded the problem through its own failure to define "training in the regulations.

And the governors of the fifty states -- reluctant as they are to insert themselves in any role that they perceive to be properly that of Congress or the DoL -- simply adopted the limited number of definitions that were in the statute and the DoL regulations, and made no bold regulatory moves to promulgate their own definitions of "training".

The predictable result of this lack of statutory or regulatory guidance was that, by default, each SDA become its own interpreter of Congressional intent. And, understandably, this interpretation process at the SDA level was very much influenced by the stark budgetary realities with which SDA's were confronted. Quite simply, in order to keep within the 15% administrative cost limitation, the SDA's developed an expansive definition so that they could charge as many costs as possible to the "training category".

Now, seven years after the original JTPA statute was first enacted -- the U.S. Department of Labor has finally moved to interpret what activities DoL considers to be properly chargeable to "training" under fixed-unit price performance-based contracts which can be charged to the "training" category under the provisions of 20 CFR 629.38(e)(2).

But this attempt by DoL to rapidly change course may well produce the kind of effect you could anticipate if you tried to pull out of a skid on an icy road by suddenly turning the steering wheel in the opposite direction. We all know what happens -- the vehicle goes out of control and ends up in a collision.

And as we speak, the objectives of Congress in the pending JTPA amendments with respect to focusing on the hardest-to serve

segments of our unemployed and underemployed population are on a collision course with DoL's new interpretation of what constitutes "training".

JTPA participants who represent the most significantly disadvantaged and the hardest-to-serve elements of our population require a great deal of attention and work before they can be made ready to take the first step into a classroom or an on-the-job training slot.

Mr. Chairman, the kind of basic "know-how" and "how-to" that you and I take for granted as being a "given" in every middle-class teenager and young adult going out to apply for their first job is simply <u>not</u> present in the overwhelming majority of the hardest-to-serve population that I have been working with over the past 20+ years. The most severely disadvantaged and the hardest-to-serve have to be trained in basic "know-how" and "how-to" before they are ready to take their first step into actual classroom training or into an on-the-job training slot. And if that advance preparation does not occur, all the "core training" dollars in the world will not be enough to transform the hardest-to-serve into easily-placeable, job-ready candidates for employment.

When the major private sector training contractors that comprise NAETC dedicate teaching time and effort to prepare

the hardest-to-serve participants so that they can have a realistic chance of succeeding in the classroom, these contractors are engaged in training -- not program administration or supportive services.

As a practical matter, it can be argued everything that a private sector training contractor does for JTPA participants constitutes training, because private sector companies do not administer the JTPA program, nor have they been incorporated for the purpose of providing supportive social services to JTPA participants or other individuals.

NAETC urges this Subcommittee tó adopt a statutory definition of "training" that recognizes the particular and unique role played by private sector training companies, and which provides governmental JTPA grantees and non-profit community-based organizations with the guidance that they need to properly designate the tasks that they perform in their own respective roles.

Second, there is an equally compelling need for a statutory definition of "administration". Since "supportive services" is already defined in the statute, once a statutory definition of "training" is adopted, the simple process of elimination should reveal all the remaining tasks that are properly within the realm of administration.

As in the case of the needed definition for "training" that I have already pointed out in my testimony, the need for a definition of "administration" has become even more acute since the Employment and Training Administration issued its March 13, 1989 policy interpretation on costs eligible to be charged under fixed-unit price, performance-based contracts.

NAETC members report that they are encountering widely varying interpretations of that policy issuance at the state and local SDA levels. One NAETC member noted that his company's basic training package has had to be renegotiated twenty different ways to meet twenty different sets of interpretations and rules in the states and Service Delivery Areas where his company does business. It is clear that this situation will eventually discourage the best companies to discontinue their JTPA involvement. In the words of the NAETC member with the twenty different versions of a single training package contract, "The margins in JTPA are simply not worth the kind of hassle I have been going through."

Third, on the issue of the conflicting interpretations and general level of confusion that seems to exist at the state and local SDA level with respect to the new rules for contracting, Congress must send a strong message to the U.S. Department of Labor that the time has come for it to abandon its "hands-off" policy and to get involved in the provision of technical assistance to the governors and the local SDAs.

Since the original enactment of JTPA, there has been a total vacuum in the technical assistance area. And in the absence of action by DoL or the governors, a trio of private practitioners has taken over the role of going around the country and sponsoring workshops in which they interpret the intentions of Congress and the periodic issuances of the Department of Labor for the staffs of the governors and the SDAs.

Now, I am not disputing that there is a proper role for private practitioners in the JTPA technical assistance field. But is it good public policy for them to function as the authoritative source of regulatory interpretation simply because the Employment and Training Administration has largely abdicated its technical assistance responsibilities under JTPA? Shouldn't the Secretary of Labor be the authoritative source for interpretation of DoL/ETA issuance? NAETC thinks so, and hopes that this Subcommittee and the Congress will share its view on this issue.

Fourth and last, but not least, NAETC urges this Subcommittee to include language in the JTPA statute or in an appropriate report accompanying the legislation which makes it clear that performance-based contracts, properly procured and negotiated, are a legitimate mechanism under which the emphasis can continue to be placed on performance and good results for JTPA participants.

NAETC commends the initiative taken by Assistant Inspector General for Audit Gerald Peterson to expose poor contracting practices and defective contract models. We support the efforts that have been made by Mr. Peterson and his staff to develop language on program accountability which is now incorporated in H.R. 3266, and NAETC looks forward to the opportunity to work in cooperation with the deeply dedicated staff of OIG toward further improvements in the JTPA procurement and contracting system.

NAETC members believe that it is in their best interests as high caliber companies to keep the emphasis on performance under JTPA. If the emphasis should shift to lowest price or the thinnest profit margins, the best private training companies will simply abandon the JTPA field. NAETC member companies are performance driven and results oriented. They are committed to delivering quality services at a fair price. But they expect fair play from JTPA, and they will not engage in a contest to see who can deliver the most ineffective "training" at the cheapest price.

NAETC members believe that if the emphasis in JTPA is properly focused on program accountability, pricing considerations should play a secondary role. In other words, if a training company is providing a high quality service that produces impressive results for JTPA participants, the proof of its worth should be measured by the value of those results, rather than on the price. Our price concern should be focused on "realism. i.e.,

is this price realistic to produce the kind of results we want? If you want good results, high caliber companies such as those who comprise NAETC will be able to produce those results at a realistic price.

Mr. Chairman, the members of NAETC stand ready to lend their full support to the efforts of this Subcommittee, and to Assistant Inspector General Peterson and his staff, to further improve JTPA so that it can realize its full potential for serving America's unemployed and underemployed. I would be very pleased to respond to any questions that you may have regarding NAETC and its mission.

* * *

Chairman MARTINEZ. Mr. Crean, we will certainly have some questions, but we'll allow the other members to testify first.

Mr. Sherer.

Mr. SHERER. Chairman Martinez, thank you for this opportunity to provide testimony on the reauthorization of the Job Training Partnership Act.

My name is Robert Sherer and I'm the Executive Coordinator of the Michigan Occupational Information Coordinating Committee. My testimony will focus on the interagency programs known as the National and State Occupational Information Coordinating Committees.

I will present here a summary of my written testimony but I would also like to point out to you, Chairman Martinez, that I do have a folder of related materials supporting many of the information systems addressed by my testimony.

It is important to explain how the NOICC and SOICC programs, as they are called, operate and understand that coordination and cooperation are key words.

Coordination is put into effect by having all the major information-using and producing agencies at the same table to identify priority informational needs. These needs may be generally described as pertaining to the three primary use areas of occupational information—career decision-making, program planning and job search. All the agencies involved need this information and produce relevant information.

This information becomes more powerful and useful when it is combined into an integrated system. The primary mission of NOICC/SOICC is to develop the necessary information delivery systems and the resources for them.

Addressing program planning needs is a major aspect of our programs. In Michigan we have developed the Occupational Projections and Training Information for Michigan, or OPTIM System. It unifies several data bases related to the planning and evaluation of job training vocational educational programs.

It is the only state-based source in Michigan that addresses the question of how many people are being trained for the available jobs. Although we are expanding slowly into the professional area, we are primarily restricted in combining supply and demand information presently for the vocational type occupations.

The use of our OPTIM system by the UAW-GM Human Resource Center in Flint, Michigan is perhaps a good example of how extensively the OPTIM and other SOICC systems contribute to the design of broad-based job training programs. Facing the prospect of providing services to thousands of dislocated workers, many requiring or desiring new careers, the Center made extensive use of the OPTIM system.

The primary use was in identifying demand occupations for which vocational type training was required. This type of data was easily accessible through OPTIM's customized source features. With cooperation from the local Chamber of Commerce, employers were surveyed to verify the accuracy of this comprehensive list of demand occupations.

OPTIM helped to identify which employers to survey for specific occupations because it provides information on where occupations

are concentrated by industry or employer category. Occupations verified as in demand were the beginnings of a comprehensive program for which training providers were sought.

The UAW-GM Center used the same occupational industry data to develop a personal computer based job search information system called E.T., or Employer Tracker. E.T. provides information on employers to be used as the basis of a job search. One of its most important features is labor market information on where occupations are concentrated by industry to produce listings from an industry coded list of employers.

The resulting list of employers is a targeted listing of where jobless workers are most likely to find employment in their chosen occupation. The E.T. system, therefore, is supportive to the most frequently used method of job search, which is direct contact with employers. As a consequence, job search begins more quickly and it is much more organized to address a job market where the overwhelming majority of job vacancies are hidden.

Nationally, 47 states have implemented an occupational information system, with 35 states operating the Micro-OIS, a microcomputer based system developed by the National Occupational Information Coordinating Committee.

It is equally important that individuals have good career information. Michigan is a leading state in the delivery of career information to both youth and adults. It has been a high priority to deliver such information on a comprehensive basis because we fully recognize that workers and employers are better off when people pursue careers consistent with their interests and abilities.

Further, we understand that student and adult interests drive enrollments in specific occupational job training programs and as a consequence we believe that an informed interest based on the best job availability information that we can produce stimulates efficiencies in our educational and job training programs.

A solid commitment to career information delivery helps avoid wide swings in enrollments in programs that are either painted negatively or positively on the basis of anecdotal stories or short-term views of the labor market.

Our career information system called the Michigan Occupational Information System is updated and distributed annually to nearly 2,500 sites in the education, job training and related community. The system has both a national and state focus but is directed primarily to describing Michigan jobs and how and where to prepare for them.

Approximately 1,000 sites receive the system in its popular computerized format. Among these 2,500 sites are approximately 75 JTPA service delivery areas and over 95 percent of all high schools in Michigan.

A recent independent assessment of the MOIS system estimated 350,000 Michigan residents use this system annually. The system is operated by the Vocational-Technical Education Service, Michigan Department of Education, in cooperation with our Department of Labor and Employment Security Agency.

Nationwide, the agencies of the Michigan SOICC have cooperated on several occasions to address the lack of printed career information. Through interagency efforts, we have been able to significant-

ly increase the focus on job and educational preparation by Michigan residents by printing a career newspaper. This rare resource is valuable in the classroom, home and adult agency settings.

Our 1987 edition had a print run of nearly 600,000 copies. The Detroit News in a joint venture with the Employment Service in Michigan printed a 1989 edition and included it with every newspaper delivered on September the 13th.

Nationwide, 47 states operate statewide career information systems, more than half of which were initiated with funds from the National Occupational Information Coordinating Committee and nearly all of which have received NOICC funding for system and data improvements.

A real capstone of the NOICC efforts in the career development area is the National Career Development Guidelines initiative. These guidelines, developed with the encouragement of the NOICC agencies from the Department of Education, are the result of comprehensive involvement and review by the career development and guidance community.

The national guidelines have been endorsed by several educational and career guidance and counseling organizations. These guidelines are designed to strengthen and improve comprehensive career development programs at all levels, and are being used in 24 state pilot sites.

I am pleased to see emphasis in H.R. 3266 on such activities, particularly as reflected in Sections 13(a)(6), 12(d)(3) and 13(d)(4).

In closing, I like to point out that coordination rarely just happens. Responsibility for it must be assigned and the activities supported. There also must be cooperative participants, which is the case for the many Federal and state agencies who are the NOICC/SOICC network.

I hope I have selected from their many accomplishments those most relevant to issues before this subcommittee. I believe this network has been a successful model for coordination among a number of agencies. I also believe that these amendments strengthen its foundation.

Thank you.

[The prepared statement of Robert Sherer follows:]

Testimony of
Robert Sherer, Executive Coordinator,
Michigan Occupational Information Coordinating Committee

Before the
Subcommittee on Employment Opportunities

Hearing on the Reauthorization of the
Job Training Partnership Act

September 19, 1989

Introduction/Background

Representative Martinez and members of the Subcommittee, I thank you for this opportunity to testify on the reauthorization of the Job Training Partnership Act.

Members of the Subcommittee, my name is Robert Sherer. I am the executive coordinator of the Michigan Occupational Information Coordinating Committee. I would like to include a copy of my written testimony for the record in addition to my presentation today. My testimony will focus on the labor market, occupational, and career information aspects of JTPA, particularly as addressed in Section 13 of the "Workforce 2000 Job Training Partnership Act Amendments of 1999" (H.R. 3268). While I will highlight the workings of the Michigan Committee and the impact of the proposed JTPA amendments to Michigan, I will also address the implications of the amendments nationally, from the perspective of a State Occupational Information Coordinating Committee (SOICC) director.

I am pleased that H.R. 3268 places even greater emphasis on labor market and occupational information, since such data are crucial in more effectively planning and administering JTPA programs at the national, state, and local level as well as meeting the career information needs of the participants served through JTPA programs. While the emphasis today is on the JTPA amendments, I will also note some of the linkages between proposed education legislation and JTPA, particularly as reflected in the "Applied Technology Education Amendments of 1999" (H.R. 7), which I think will assist in greater coordination at the state and local level in human resource program efforts.

Established by the Education Amendments of 1976 (P.L. 94-482), the principal mission of the National and State Occupational Information Coordinating Committees is to promote the development, improvement, dissemination and use of occupational and career information. This information is used to support employment and training programs under JTPA and vocational program planning at the State and local level, as well as career exploration by youth and adults. Subsequent legislation, including JTPA and the Perkins Vocational Education Act, both reinforced and expanded the mandates and membership of the national and state committees.

The Michigan Occupational Information Coordinating Committee is funded by the National Occupational Information Coordinating Committee (NOICC), which also funds SOICC activities in 55 other states and territories. The national and state occupational information coordinating committees, together with the labor market information programs operated within state employment security agencies have been instrumental in helping meet the information needs of individuals, JTPA service providers, and employers. I would like to present some of examples of how the Michigan Committee and the NOICC/SOICC network have helped to meet some of these needs and highlight how the legislation further supports such efforts, particularly with respect to:

(1) occupational information systems for JTPA program policy development, planning, and implementation;
(2) supporting economic development and employer information needs; and
(3) career development and career information delivery.

Before moving to program specifics, it is important to explain how the NOICC/SOICC programs operate. It is vitally important to understand that coordination, which implies a requirement for cooperation, is a key word. As required by law, our programs are run by interagency committees.

Coordination is put into effect by having all the major occupational information using and producing agencies at the same table to identify common and priority informational needs. These needs may be generally described as pertaining to the three primary application areas of occupational information. These are career decision-making, program planning and job search. All the agencies involved need this information and produce pieces of information related to these three areas. While all the various pieces of information have value alone, they become more powerful and useful when combined into integrated systems. The primary mission of the NOICC/SOICC programs is to combine these various components and develop the necessary information delivery systems and associated resource support.

It is also important to note at the outset that there is also coordination on a federal-state level and a state-to-state sharing network in place. These are truly important for the efficient operation of a relatively small coordinating network. At the federal level, there are certain economies of scale that can be achieved if depositories of standard information are maintained and accessible and technical support available. This is especially true when a substantial amount of the information available to the states is influenced by federal decisions and standards. It is also important that states cooperate with each other and operate as an integrated network to share innovations and enhancements. These two levels of important coordination are present in the NOICC/SOICC network.

Occupational Information for Program Planning and Economic Development

The SOICC agencies in Michigan embarked on a multi-year, interagency effort to develop an occupational supply and demand information system after concluding we could improve job outlook information for Michigan jobs by using available training supply and other data and combining it with data on employment. With funds from our Departments of Education, Commerce, Labor and Employment Security, and the technical skills of our Employment Security Agency, the Occupational Projections and Training Information for Michigan, or OPTIM system, was developed and became operational in 1987. The system is operated by the Research and Statistics Bureau of our Employment Security Agency through a general fund appropriation provided to the SOICC program.

The OPTIM system unifies several databases relevant to the planning for and evaluation of job training and vocational education training programs. It is the only state-based source of information that addresses the question of how many people are being trained for how many available jobs? Further, it is a computerized information system so that different agency users can customize data retrieval to receive only the information they need. In other words, planning data is easier to obtain and more convenient to use.

The system has been accessed over 2,000 times since it became operational in late 1987. Information from the system has been used extensively in planning job training, vocational education and related programs. Below are just a few examples of how this information is used.

JTPA Service Delivery Areas use OPTIM's supply and demand information to plan areas of skill training as well as certifying "demand occupations" for JTPA training contractors.

Vocational educators use OPTIM information to evaluate the supply and demand conditions for their training areas and establish priorities. In fact, secondary vocational education has developed a formula for allocating selected funds to local occupational

training programs. This formula incorporates supply and demand information. In addition, vocational educators use OPTIM's information on where jobs are located by industry to form curriculum advisory committees and survey relevant employers on what job skills should be incorporated into vocational instruction.

Extensive data runs were used to identify comprehensive vocational education offerings based on employer needs for new area vocational centers in Ionia and Southwestern Michigan.

State and local economic development agencies use information on the skill needs of specific industries, the postsecondary education training program inventory, training supply and occupational earnings in their business recruitment activities.

The use of our OPTIM system by the UAW-GM Human Resource Center in Flint, Michigan, is perhaps a good example of how extensively the OPTIM and other SOICC systems contribute to the design of broad-based job training programs. Facing the prospect of providing services to thousands of dislocated workers, many requiring or desiring new careers, the Center made extensive use of the OPTIM system. The primary use was in identifying "demand" occupations for which vocational-type training was required. This type of data was easily accessible through OPTIM's customized sort features. With cooperation from the local chamber of commerce, employers were surveyed to verify the accuracy of the comprehensive list of "demand occupations." OPTIM helped to identify which employers to survey for specific occupations because it provides information on where occupations are concentrated by industry or employer category (the Occupational Employment Statistics Occupational-Industry Matrix). Occupations verified as in demand became the beginnings of a comprehensive program for which training providers were sought.

The UAW-GM Center used the same occupational-industry data to develop a personal-computer-based job search information system called E.T. or Employer Tracker. E.T. provides information on employers to be used as the basis of a job search. One of its most important features is the labor market information on where occupations are concentrated by industry to produce listings from an industry-coded list of employers. The resulting lists of employers is a "targeted listing" of where jobless workers are most likely to find employment in their chosen occupation. The E.T. system is supportive, therefore, to the most frequently used method of job search, which is direct contact with employers. As a consequence, job search begins more quickly and is much more organized to address a job market where the overwhelming majority of job vacancies are "hidden."

Although OPTIM was developed to support planning and evaluation in job training and economic development activities, it has served to increase awareness and accessibility to labor market information to a wide variety of users. For example, the SOICC agencies have investigated the Employment Tracker system and are now considering a proposal on the development of a similar statewide system. Although this system has many potential applications, many in the planning area, the most significant impact area is job search.

Nationally, 47 States have implemented an occupational information system with 35 States operating the Micro-OIS, a microcomputer based system developed by NOICC. While these systems have been very successful, it is clear that additional efforts to improve the capabilities of these systems, the quality of data used in the systems, access to the systems, and the application of the information in JTPA programs is needed.

As described above, greater emphasis is being placed on linkages with employers by the Michigan Committee and the NOICC/SOICC network. It is clear that successful employment and training efforts will depend heavily on the involvement and cooperation of employers. We have tried to support these linkages by providing occupational information which highlights how the existing JTPA and vocational programs can help meet some of their training needs.

Another good example of such a system is the Civilian Training Inventory (CIVTRAIN) project directed by NOICC and funded by the Naval Reserve. This system is designed to help the Naval Reserve identify educational programs at local schools that may be used to help train Reserve personnel. By the end of this year, the system will be operational in 24 States. This same kind of system could be used by private employers in an area to foster linkages with the vocational education and JTPA systems.

Michigan has contributed to the CIVTRAIN information system. By participating in this project, several benefits have accrued. First, the project provided the opportunity to review and improve our database on postsecondary education programs. This is extremely vital because improved accuracy of our inventory of educational programs improves information delivery in our career and program planning information systems. This is especially important for career information delivery because career explorers use this information to select educational providers for the specific careers they elect to pursue. Further, we now have publicly developed software for use in managing our postsecondary education program inventory and the potential for better disseminating such information.

Also at the national level, NOICC has recently awarded a grant, based on a competitive grant solicitation, to develop a microcomputer based information system to support economic development planning and employer information requirements.

The proposed JTPA amendments provide a strong mandate to continue to work toward the improvement of the basic information used in occupational and career information systems. NOICC has been active in supporting such efforts including the development of a microcomputer based system to assist state employment security agencies in developing state and local occupational projections, along with an ongoing training program in the development of such projections. Also there are several exciting new data development efforts by NOICC member agencies including the Bureau of Labor Statistics and the National Center for Education Statistics that have potential implications for future OIS developments. The proposed amendments would further support such needed activity.

Section 13(d)(4) of the Workforce 2000 JTPA amendments, which modifies Section 464(b)(5), clearly recognizes and reinforces the need for such activities, as I have just described, by encouraging further research and development and implementation of such information systems by the NOICC/SOICC network, including efforts to improve the "coordination and compatibility of human resources data systems... and systems to assist economic development activities. This language is also consistent with H.R. 7, which further supports the coordination of such activities between JTPA, education, and other human service programs.

The coordination and compatibility of human resource data issues are being investigated in Michigan in a major way. Integration and automation are planned for all education, job training and related programs, which is called the Human Investment System. Among the many goals for this system, is a "one-stop shopping" feature for training and related services. The Michigan Opportunity Card, which uses a card with a computer chip, is a major system automation tool. It is designed to provide the means for a common intake and application for the Human

investment System. Since career decision-making, program planning and job search are across-the-board features of any human investment system, the occupational information implications and associated compatibility issues are significant.

Career Information and Career Development

While the use of occupational information in program planning is critical, it is equally important that individuals have good career information. As we look ahead to our nation's needs, particularly in the context of a global economy, individuals must have good information as well as career development skills to help match individual needs and interests with the realities of the labor market.

Michigan is a leading state in the delivery of career information to both youth and adults. It has been a high priority to deliver such information on a comprehensive basis because we fully recognize that workers and employers are better off when people pursue careers consistent with their interests and abilities. Further, we understand that student and adult interests drive enrollments in specific occupational job training programs, and as a consequence, we believe that an "informed interest," based on the best job availability we can produce stimulates efficiency in our educational/job training programs. A solid commitment to career information delivery helps avoid wide swings in enrollments in programs that are either painted negatively or positively on the basis of associated stories or short-term views of the labor market.

Our career information system, called the Michigan Occupational Information System (MOIS), is updated and distributed annually to nearly 2,500 sites in the education, job training and related community. The system has both a national and state focus, but is directed primarily to describing Michigan jobs and how and where to prepare for them. Approximately 1000 sites receive the system in its popular computerized format. Among these 2,500 sites are approximately 75 JTPA Service Delivery Area sites and over 98% of all high schools. A recent independent assessment of the MOIS system estimated 350,000 Michigan residents use the system annually. The system is operated by the Vocational-Technical Education Service, Michigan Department of Eduction, in cooperation with the Department of Labor and the Michigan Employment Security Commission.

The aforementioned independent assessment of the Michigan Occupational Information System, had the following to say after surveying system users:

> *"respondents offered very little negative feedback regarding the system. specifically, 99% of MOIS coordinators indicated that the system was helping clients meet their career exploration needs, 86% of the staff indicated that the system was somewhat or very successful in meeting client needs, and 75% of clients indicated that the system was somewhat or very successful in meeting their needs. In addition to meeting information needs, both clients and staff indicated that the system was easy to understand."*

The agencies of the Michigan SOICC have cooperated on several occasions to address the lack of printed career information on the Michigan job market. A career newspaper based on the Michigan Occupational Information System has been one approach. By sharing costs and responsibilities in such areas as information development, printing, and distribution, we have been able to significantly increase the focus on job and educational preparation by Michigan residents. This rare resource is valuable in the classroom, home, and adult agency settings.

Our 1987 edition was called, "OUTLOOK", and it had a print run of nearly 600,000. These were distributed by all SOICC agency programs. The *Detroit News*, in a joint venture with the Employment Service, printed a 1988 edition of the career newspaper and included it with every newspaper delivered on September 13. The SOICC agencies purchased additional quantities for distribution at the program level.

Michigan is not alone in preparing such "career tabloids"; nearly 30 States have undertaken similar efforts, and NOICC has recently initiated an effort to develop guidance for States on some of the best features of various tabloids.

Nationwide, 47 States operate statewide CIDS, more than half of which were initiated with funds from NOICC, and nearly all of which have received NOICC funding for system and data improvements. NOICC has supported the incorporation of information on the military in state systems, the development of crosswalks between classification systems which are necessary for CIDS operation, the preparation of CIDS standards, and other activities which have provided an economy of scale. While these systems are now self supporting, it is clear that additional research and improvements are needed, particularly to better serve the needs of adults as well as youth.

For individuals to effectively use career information and to plan careers that meet the economy's needs, it is important to strengthen the individual's capabilities to pursue career development as a lifelong process. To address this need, NOICC has undertaken two major programs to assist in this area, the Improve Career Decision Making (ICDM) and the National Career Development Guidelines projects.

ICDM is a training program designed to help counselors, including those within JTPA programs and the employment service, in more effectively using career information with their clients. This program, supported by NOICC, has trained over 20,000 counselors in more than 50 states and territories. A preservice version designed to be used in college and university counselor preparation programs has also been developed.

Michigan has provided ICDM training to approximately 200 counselors. With funding from the Employment Service and in cooperation with vocational education, more training is planned. This most recent activity will incorporate the involvement of all Michigan colleges with counselor education programs to determine the need for improved coverage of labor market information at these institutions.

A real cap-stone of the NOICC efforts in the career development area is the development of the National Career Development Guidelines. These guidelines developed with the encouragement of the NOICC agencies from the Department of Education are the result of comprehensive involvement and review by the career development and guidance community. Importantly the National Career Development Guidelines have been endorsed by:

- American Vocational Association (AVA) Guidance Division
- American School Counselor's Association (ASCA)
- National Career Development Association (NCDA)
- Association of Computer-Based Systems for Career Information (ACSCI)
- National Association of State Career Development/Guidance Supervisors NASCD/GS)
- National Association of State Occupational Information Coordinating Committee (NASOICC)
- American Association of Counseling and Development (AACD)
- Council of Chief State School Officers (CCSSO)

These Guidelines are now being utilized in 24 States that are implementing pilot efforts that will lead to state and local career development programs that specify competencies and skills needed by individuals to be prepared for work and to make appropriately considered career transitions. Designed to strengthen and improve comprehensive career development programs at all levels, the National Career Development Guidelines can definitely be a part of the thrust toward educational renewal in the United States.

Under the leadership of the Michigan Department of Education, Vocational-Technical Education Service, the SOICC agencies in Michigan have embarked on a comprehensive initiative using the National Career Development Guidelines. The purpose of this review is to establish student/client outcomes at all educational levels and across adult-assisting agencies for career guidance and counseling programs. Demonstration models to test various implementation strategies have been established in three regions of the state, including the city of Detroit. The availability of the Guidelines materials has led to several significant developments, including a project to develop curricula and activities to support achievement of the identified outcomes and a review of counselor education programs in the context of the knowledge requirements of counselors in the "outcomes" framework. The Guidelines may also be incorporated into the Michigan Department of Education's career development test.

I am pleased to see the emphasis in H.R. 3288 on such activities, particularly as reflected in:

(1) Section 13(a)(B), which modifies Section 125(a) of JTPA, states that the network should "provide training and technical assistance to support comprehensive career guidance and student/client outcome activities for local programs...",

(2) Section 13(d)(3), which modifies Section 464(b)(2) of JTPA, indicates that special attention should be given to career development, and

(3) Section 13(d)(4), which as noted earlier modifies Section 484(b)(5), emphasizes continued research and development and implementation efforts related to "any aspect of occupational and career information systems".

Again, this language is consistent with the emphasis on career development and information activities included in H.R. 7. The recognition in both of these bills of the need and role of career development as one of the components to the long term solution to labor supply/demand mismatches is significant. As people receive better information on careers and occupations and view career development as a long-term process, the better equipped they will be to understand the links between education to work, to adequately prepare themselves for careers, and in anticipating and to make career adjustments based both on their needs as well as those of the economy.

In closing, I would like to point out that coordination rarely "just happens." Responsibility for it must be assigned and the activity supported. Further, there must be cooperative participants, which is the case for the many federal and state agencies who are the NOICC/SOICC network. I hope I have selected from their many accomplishments those most relevant to issues before this subcommittee. I believe the NOICC/SOICC network has been a successful model for coordination and cooperation among a number of agencies and organizations. I also believe that these amendments strengthen the foundation of this network. I certainly welcome the continued challenge in serving the Michigan Committee in meeting the information needs addressed under JTPA as well as other related legislation. Thank you for this opportunity.

Chairman MARTINEZ. Thank you, Mr. Sherer.

Mr. Ortiz.

Mr. ORTIZ. Mr. Chairman, I am George Ortiz of Santa Rosa, California. I want to thank you for the opportunity to testify today on behalf of the Committee for Farmworker Programs, or CFP. It is a national association of nonprofit organizations that provide training and related services to migrant and seasonal farmworkers under authority of Section 402 of JTPA. I am currently serving as president of CFP.

Mr. Chairman, our member organizations are quite experienced with regard to successful efforts to train and place hard-to-train populations. We applaud your efforts and those of Chairman Hawkins and the committee to refocus limited Federal job training resources to these populations.

While our experience I'm sure would be quite helpful to you in attempting to improve the overall JTPA performance in preparing hard-to-train populations for work, my time and your time is quite limited so I will focus exclusively on recommendations regarding services to agricultural workers.

We have three main areas of concern.

First, and most important, the authorization of appropriations for Section 402. Since 1983, the Department of Labor has estimated the eligible population for Section 402 programs to be 462,000 low-income agricultural workers. This underestimate is, unfortunately, based upon the census data collected by census workers unfamiliar with migrant populations during the month of March 1980, not a particularly good month to gauge where migrant seasonal farmworkers live and work.

However, we have been unable to convince the Department to use more accurate and reliable data and thus have had to live with this underestimate for six years.

This estimated population does not include farmworkers who are not legal residents of the United States. They are not eligible for Section 402 services. In 1986, the Immigration Reform and Control Act opened the opportunity for farmworkers who are not legal residents to become legal residents of the United States under the Special Agricultural Workers or SAW program, of which 1,287,824 farmworkers have applied for legalization under the SAW program.

Based upon the current rate, it is likely that more than 85 percent of these applicants will be approved, and nearly all of those will qualify for services under the Section 402 program. But even using an extremely conservative estimate—say only 75 percent or so of the applicants approved for legalization and only 75 percent of those approved individual meeting the age, income and agricultural work eligibility requirements of Section 402—we are experiencing an eligible population increase to no less than 1,186,000. This doesn't include the dependents of these individuals who would be eligible for supportive services.

This conservative estimate would nearly triple the National population eligible for the Section 402 program. In my State of California, this conservative estimate predicts a six-fold increase in the eligible population. Clearly, more Section 402 resources are necessary.

In recognition of this exponential growth, the Appropriations Committee has granted increases in the past three fiscal years for Section 402 exceeding the rate of growth in other JTPA programs. In point of fact, we are now exceeding the JTPA percentage reserve authorized for Section 402 and the Appropriations Committees have acknowledged this restraint in their ability to grant additional increases.

We are hopeful that this subcommittee and the full committee will recommend increases in the authorization of appropriations for Section 402 which reflect the newly eligible population. We have suggested legislative options to staff that would either set a percentage reserve based upon the committee's best estimate of eligible population, or if reliable data is not available by the time of the markup, establish the current appropriation as the floor and authorize such sums as may be necessary for Section 402.

Our second concern relates to our ability, as limited or single purpose agencies, to carry out fiscal management and audit responsibilities. The Department of Labor has recently changed its interpretation of OMB Circular A-122 to prohibit us from using our DOL grant funds for staff time and accounting and legal services related to audit resolution procedures within the Department after a determination by the grant officer.

Since most of us have no private resources nor general tax funds, we are placed in the uncomfortable position of not being able to respond to audit questions raised by the Department. As the committee is aware, many audit questions are quickly and easily resolved when grantees are able to develop and present additional data and justification.

We hope that the Congress will take action to insure our right to respond to such audit questions. We have discussed with committee staff and with the Department of Labor language that would provide helpful guidance and more closely conform DOL procedures to those of the Department of Health and Human Services, the Federal Government's largest grant-making agency.

Finally, Mr. Chairman, we are hopeful that Section 4, paragraph (5) of JTPA can be amended to include the Association of Farmworker Opportunity Programs, a 502(c)(3) organization made up of farmworkers serving community-based organizations. Currently, no farmworker-serving organizations are identified in the Act.

Thank you, Mr. Chairman. I will be happy to attempt to answer any questions the committee might have of me, or yourself.

[The prepared statement of George Ortiz follows:]

Testimony of George Ortiz
before the House Subcommittee on Employment Opportunities
September 19, 1989

Mr. Chairman, Members of the Subcommittee, I am George Ortiz of Santa Rosa, California. I want to thank you for the opportunity to testify today on behalf of the Committee for Farmworkers Programs (CFP) a national association of non-profit organizations that provide training and related services to migrant and seasonal farmworkers under authority of Section 402 of JTPA. I am currently serving as President of CFP.

Mr. Chairman, our member organizations are quite experienced with regard to successful efforts to train and place hard-to-train populations. We applaud your efforts and those of Chairman Hawkins and the Committee to refocus limited federal job training resources on these populations. While our experience, I am sure, would be quite helpful to you in attempting to improve the overall JTPA performance in preparing hard-to -train populations for work, my time and your time is quite limited so I will focus exclusively on recommendations regarding services to agricultural workers. We have three main areas of concern.

First, and most important, the authorization of appropriations for Section 402. Since 1983, the Department of Labor has estimated the eligible population for the Section 402 programs to be 462,000 low-income agricultural workers. This underestimate is, unfortunately, based upon census data collected by census workers unfamiliar with migrant populations during the month of March, 1980---not a particularly good month to gauge where migrant and seasonal farmworkers live and work. However, we have been unable to convince the Department to use more accurate and reliable data and, thus, have had to live with this underestimate for six years. This estimated population does not include farmworkers who are not legal residents of the United States. They are not eligible for Section 402 services. In 1986, the Immigration Reform and Control Act opened the opportunity for farmworkers who were not legal residents to become legal residents of the United States under the Special Agricultural Workers (SAW) program. 1,287,824 farmworkers have applied for legalization under the SAW program. Based upon the current rate, it is likely that more than 85% of these applicants will be approved and nearly all of those approved will qualify for services under the Section 402 program. But even using an extremely conservative estimate---only 75% of SAW applicants approved for legalization and only 75% of those approved

individuals meeting the age, income and agricultural work eligibility requirements of Section 402---we are experiencing an eligible population increase to no less than 1,186,000 (not including the dependents of these individuals, who will be eligible for supportive services.) This conservative estimate would nearly triple the national population eligible for the Section 402 program. In my State of California, this conservative estimate predicts a sixfold increase in the eligible population. Clearly, more Section 402 resources are necessary. In recognition of this exponential growth, the Appropriations Committees have granted increases in the past three fiscal years for Section 402 exceeding the rate of growth in other JTPA programs. In point of fact, we are now exceeding the JTPA percentage reserve authorized for Section 402 and the Appropriations Committees have acknowledged this restraint in their ability to grant additional increases. We are hopeful that this Subcommittee and the full Committee will recommend increases in the authorization of appropriations for Section 402 which reflect the newly eligible population. We have suggested legislative options to staff that would either set a percentage reserve based upon the Committee's best estimate of eligible population or, if reliable data is not available by the time of mark-up, establish the current appropriation as the floor and authorize such sums as may be necessary for Section 402.

Our second concern relates to our ability, as limited or single purpose agencies, to carry out our fiscal management and audit responsibilities. The Department of Labor has recently changed its interpretation of OMB Circular A-122 to prohibit us from using our DOL grant funds for staff time and accounting and legal services related to audit resolution procedures within the Department after a determination by the grant officer. Since most of us have no private resources nor general tax funds, we are placed in the uncomfortable position of not being able to respond to audit questions raised by the Department. As the Committee is aware, many audit questions are quickly and easily resolved when grantees are able to develop and present additional data and justification. We hope that the Congress will take action to ensure our right to respond to such audit questions. We have discussed with Committee Staff and with the Department of Labor language that would provide helpful guidance and more closely conform DOL procedures to those of the Department of Health and Human Services, the federal government's largest grant making agency.

Finally, Mr. Chairman, we are hopeful that Section 4, paragraph (5) of JTPA can be amended to include the Association of Farmworker Opportunity Programs, a 501 (c) (3) organization

made up of farmworker-serving, community based organizations. Currently, no farmworker-serving organizations are identified in the Act.

Thank you Mr. Chairman. I will be happy to attempt to answer any questions the Committee might have.

Chairman MARTINEZ. Thank you, Mr. Ortiz.

There are several questions that I have. I want to leave the record open for two weeks to submit those questions to you in writing. I'm only going to take a brief minute here because I have another appointment that I've got to make to ask one particular question of you, Mr. Crean.

In our attempt to create accountability, because of the concerns that have been raised over the past several years about this, we in the provisions of our legislation have provided for the breakdown and cost analysis breakout for the different costs. Of where the money is actually going as far as training and administration because right now under fixed price contracts you just say, I'm going to serve "x" number of people for "x" number of dollars and then there is no accounting of where that money is.

There has been some suggestion that in some instances there is some abuse of what was originally recommended for administrative costs, et cetera, et cetera.

Do you find that there is going to be any conflict of interest between the people that are providing the service and PICs who are doing this?

Mr. CREAN. I don't know that I would characterize it as a conflict of interest.

Chairman MARTINEZ. Not conflict of interest, but just conflict. I mean, that there is going to be reluctance.

Mr. CREAN. I don't think that the method of contracting is really key to our concern, Mr. Chairman. I think that the central question really is a realistic definition of what constitutes administration and what constitutes training.

Most people have gone to the fixed unit price contracting method as survival really because the way that they now talk about what's training and what's administration gets as ludicrous as, for example, just this week I heard one of the people we're negotiating with tell us that anything that's in-service training, even for our instructors, has to be called administration.

Well, that's not administration. For heaven's sake, that's preparing our instructors to do a better job. That's part of the training costs.

You get into those kinds of arguments. The way that the Department of Labor is now defining administration, so many costs have to be pushed into administration that are legitimately training activities that that's really the question. Once that's been resolved, I don't think that most contractors really care that much about what form of contract they operate under. It has to do with getting what is truly categorized as training and what is truly the cost of running the program—getting those things defined more properly.

If that were done, I don't think that there would be a whole lot of argument between the PICs and the service deliverers. We don't care—I don't and I'm sure our other members don't—care about making our costs public. You know, that's public money. We understand that. That's not the question.

I think if we could resolve the definitional question, the contracting question would be truly minimized.

Chairman MARTINEZ. Do you favor the accountability standards that we have outlined in the legislation?

Mr. CREAN. I have some technical problems with them. I think that there might be some conflicts in there with—well, one thing conflicting with another. I think that's what concerns me.

Chairman MARTINEZ. Could you respond to us in writing?

Mr. CREAN. Yes. Yes.

Chairman MARTINEZ. Communicate with the staff director.

Mr. CREAN. Sure will. I'm not quite quick enough on my feet to do it right now.

Chairman MARTINEZ. Okay. Then we'll quickly turn to Mr. Ortiz. Would technical assistance from the Department of Labor be helpful to you in dealing with the special agriculture programs and with the audit questions that you have? Because the Department of Labor can, I think, under the direction of the Secretary of Labor, provide that kind of technical assistance to you.

Mr. ORTIZ. Well, Mr. Chairman, I've been with the organization I presently represent, California Human Development Corporation, for the past 22 years and I have very large and have a very technically capable staff. As a matter of fact, the Department of Labor uses them often for providing technical assistance and training to others.

I don't know if that's something that we need to have now. We've been involved with the Department of Labor—well, myself since 1967.

Chairman MARTINEZ. So what you really need is resources?

Mr. ORTIZ. What we need is resources. We have a very large number of newly-eligible people, 90 percent of them are Hispanic and many, many—I wouldn't venture to say what percentage of that 90 percent is monolingual, but a very high percentage. Just English as a second language is something that we need in our training program in order to make these people more eligible and more capable of employment in this country.

So, on the technical side, the resources are the things that we lack right now. We have a total number of $68 million, $68.5 million, for the entire country, to train something like $1.2 million newly-eligible farmworkers. That's not enough.

Chairman MARTINEZ. Well, I share your concern about undercounts because I can assure you that not only in this area but in other areas Members of Congress have been attempting to get the agencies to understand the undercounts and do something about it.

We have had very little luck. You know, some people of certain minorities—the Asian community—because there are Chinese and Japanese and Koreans which have subclassifications which are really unique and different to one another, and they want to be counted out separately. They love to lump things together. One of the reasons they don't like accurate counts is because then they might be forced to respond to something, which is another question.

But we have in the Hispanic community—there is a Filipino community who have traditionally been identified as Hispanics and they're not. Very seldom do you see a true Filipino name under the Tagalog language. So that unless it's that way, like Montebog, you're not going to recognize it as Filipino and you're going to classify them Hispanic because they are Ortiz and they are Gonzalez and Martinez, and you name it.

So, they are now attempting to see if in the new census they can't get broken out so that there can be an accurate identification of how many there are. We have identified in this particular area here at least 300,000. Yet, the census has them listed, I think, at less than 100,000.

So, it's difficult to get them to respond with the numbers.

Mr. ORTIZ. Mr. Chairman, may I submit, though, that the INS has all of the figures. They are very clear. The special agricultural worker—there is a number connected to the person. We are talking about almost 1.3 million special agricultural workers in this country. I would say at least 50 percent of those and more—that's a very conservative figure—are eligible for the services that 402 provides.

So, that's a real count. That's better, in my estimation, than the census because they are there, there is a number connected to them. There is no question about their existence and their demographics and everything.

I would think that the Department of Labor would take the initiative and go over to the Department of Justice and collect those figures so that they can know better what the numbers of the population are out there as far as farmworkers are concerned.

Chairman MARTINEZ. That's the coordination between agencies that someone else testified to that doesn't take place.

I'm terribly sorry about the short time, but I appreciate your testimony. Like I said, we will submit some questions to you in writing and leave the record open for two weeks so that you might respond. Thank you again.

[Whereupon, at 4:10 p.m., the subcommittee was adjourned.]

[Additional material submitted for the record follows.]

Testimony of

Representative William J. Hughes

Before the Subcommittee on Employment Opportunities
House Committee on Education and Labor

H.R. 3226, "Workforce 2000 Job Training Partnership Act Amendments"
Tuesday, September 19, 1989
1:30 P.M.
2257 Rayburn HOB

Mr. Chairman and members of the Subcommittee. I would like to commend you for holding this important hearing today on legislation which is designed to make the Job Training Partnership Act (JTPA) more responsive to participants who encounter particular difficulties trying to access job training programs.

I want to particularly commend you, Chairman Martinez, for introducing H.R. 3226, "The Workforce 2000 Job Training Partnership Act Amendments." This legislation contains a very meaningful and comprehensive set of measures which will better enable our least skilled workers to upgrade basic job skills. I strongly support the bill.

Based on testimony I have received as Chairman of the Subcommittee on Retirement Income and Employment of the Select Committee on Aging, I would like to focus my remarks on two provisions of H.R. 3226 which I believe are particularly crucial if we are to adequately address the needs of older workers under the JTPA.

The first provision requires that allocations which serve older individuals be at least equal to the amount which was available during the preceding program year. JTPA programs which have produced dramatic results in training older workers in my home state of New Jersey and in other parts of the country clearly attest to the great need for this assistance. Many older participants have indicated to the Aging Committee that access to these training programs are not readily available through the private sector.

In testimony before my Subcommittee just last week, a number of witnesses indicated that elimination of targeted funds for older workers under the JTPA would likely translate into significant reductions in the availability of job training training assistance for older Americans.

It is true that when JTPA first began, many states had difficulties using all of their allotted funds for older workers. However, these problems have greatly diminished following improvements in marketing techniques and program coordination. For instance, New Jersey became very successful in effectively utilizing these funds once the Private Industry Councils, the JTPA administrative agencies, and the Senior Community Service Employment Program developed a network of communication and consultation which was designed to meet the particular needs of older workers. This cooperation was a result of requirements that 3% of JTPA Title II-A funding be used for older workers.

Without program targeting, or a requirement that funding remain at least equal to the previous program year, I am afraid there would be little or no incentive for many localities to invest as much effort in retraining older workers. This is extremely unfortunate because the benefits from these efforts - both to the economy and to the individuals themselves - can be dramatic. Our older population has so much to offer.

Making better use of our growing pool of older workers is one of the best mechanisms the Nation has for adding to our productivity and competitiveness. Projections made by the Department of Labor indicate that older Americans will increasingly represent a larger share of our potential work force, but will often lack the skills to readily shift from one profession to another, or to keep pace with rapidly changing technologies. The need for training these individuals will continue to grow.

The second important provision in H.R. 3226 which I would like to emphasize concerns the flexibility to waive performance standards requiring full-time rather than part-time employment. Numerous studies indicate that many older workers prefer part-time work. However, current requirements that performance standards be based on placement in full-time employment effectively eliminates the training of many older workers. This rigid performance standard also prohibits better coordination between JTPA and the Senior Community Service Employment Program.

If Federal programs such as the Job Training Partnership Act do not effectively address the job training needs of older workers, what kind of a signal does that send to the private sector? Passage of H.R. 3226 is essential if older workers are to overcome many of the barriers which block their access to job training programs, and ultimately to meaningful employment.

September 18, 1989

Chairman Hawkins and Members of the Committee on Education and Labor:

The Job Training Partnership Act and its predecessor acts have always included a strong provision for linking education and other agencies in training and placement for employment. Included in those provisions are funds for direct support of state education agency activities to promote linkage and to demonstrate partnerships of education, business, and other government services to accomplish the objectives of the act.

The youth and adults targetted for service through JTPA must learn the foundation skills of communication and computation for effective employment, either entry-level or for continuing advancement. It is essential that the reauthorization of JTPA place strong emphasis on assuring these foundation skills are learned. This objective will be met only through strong connections between the education and training sectors and business at the federal, state, and local levels.

Chairman Hawkins' bill for reauthorization of JTPA, H.R. 2039, includes a provision of 8 percent of these funds to be used by state education agencies to accomplish the objectives noted above. We strongly support this provision of H.R. 2039.

The Administration's bill, introduced as H.R. 2803, provides strong provisions and incentives for linkages among education training and business resources at the local and federal level but leaves a critical gap at the state level. That gap must be filled by the specific authorization of funds for state education agencies to provide for the linkage among state agencies and business; technical assistance; staff development programs for local providers; and demonstration projects which will advance JTPA and education institution connections at the local level.

The focus of use for funds earmarked for state education agencies should be refined in the authorized bill. We recommend incorporation of the specifications in the attached summary. Also attached is a statement of the importance of JTPA linkage support.

Mr. Chairman and members of the Committee, the Council would be pleased to respond to any questions about our position and to assist in the JTPA reauthorization as you might request.

Education ...a smart AMERICA

COUNCIL OF CHIEF STATE SCHOOL OFFICERS
[illegible] 400 North Capitol Street, N.W. Washington, D.C. 20001
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September 19, 1989

A STRENGTHENED FOCUS FOR THE 8% EDUCATION EARMARK IN JTPA

For federal legislation to promote linkage between and among programs administered by various state agencies, it is necessary to earmark certain funds to assure the participation of such agencies. The recommendations below are designed to sharpen the focus of the 8% education set-aside in the Job Training Partnership Act (JTPA) on new national priorities for the program, including 1) targeting services to adults and youth most at risk of educational failure and long-term unemployment; 2) assuring services effectively address both their educational and occupational needs; and 3) building long-term connections and effective linkages between the education and training systems.

- Target 8% funds to linkages and institutional changes to better serve dropouts and potential dropouts, adults in need of literacy training, and individuals who are dependent on welfare.

- Identify statewide linkage and coordination of educational and occupational services for disadvantaged adults and youth as the top priority for the 8% funds, authorizing use of the monies for 1) inter- and intra-agency coordination and collaboration; 2) outreach, referral, placement and retention services that support local efforts to serve in-school and out-of-school individuals; 3) direct services in programs that successfully connect the educational and training systems; and 4) other statewide or regional promotional activities that build permanent connections between education and training programs serving those individuals most in need. Require that use of 8% funds for linkage be limited to those activities that build long-term programmatic and institutional connections.

- Authorize the use of the 8% funds to build the capacity of the educational system to meet the needs of the target populations under JTPA. Funds would be used for staff development, curriculum development, improving educational/occupational skill assessment instruments and performance standards. Require that use of 8% funds for system-building be limited to those activities that promote long-term institutional change and support the efforts of local educational agencies to serve the target populations.

September 19, 1989

ACHIEVING COORDINATION BETWEEN EDUCATION AND TRAINING IN JTPA

Revisions to the Job Training Partnership Act (JTPA) should assure that (1) adult and youth participants achieve meaningful academic and occupational skills, and (2) there are strong linkages between and among education and training programs for the disadvantaged. To achieve these goals it is necessary retain the eight percent earmark for state education agencies authorized by Section 123. The funds should be focused on: (1) long-term institutional connections between education and job training, and (2) staff development and curriculum development to meet the educational and occupational needs of the most disadvantaged youth and adults.

*** Joint SEA participation in JTPA is essential public policy to assure successful implementation of the Family Support Act, the Carl D. Perkins Act, and the Adult Education Act. At a time when new provisions for consultation with and reliance on education are being enacted to reduce welfare dependency, illiteracy, and address the needs of Americans most at risk of school failure and unemployment, full participation of state and local education agencies in job training programs is essential.

*** The goals of the JTPA amendments -- development of educational and occupational competencies, and coordination of education and training programs -- can only be achieved through joint responsibility for planning, use of resources, and outcomes by the SEA and the state job training agency. New expectations for JTPA must be matched with a new focus on education in occupational training through the eight percent earmark. The connection between the education and training systems at the state level must be strengthened to parallel the stronger connections being forged at the federal and local levels.

*** Our Nation's competitiveness and economic strength depends, as it always has, on a strong, free public education system. That system caused neither the demographic, social and economic change that has increased the number of economically disadvantaged individuals in need of job training and basic skills, nor the severity of their needs. That system is key to the solution. For an education-training partnership under JTPA, joint SEA responsibility for resource and result must be assured in amendments to the program.

*** Our nation's educational system, comprised of state and local educational agencies in each state, has a separate institutional base and governance from that of general purpose government. To expect governors alone to connect and integrate that system with job training and other networks in the states is akin to asking mayors or county commissioners to coordinate education without the participation of school superintendents and local school boards.

*** Coordination and integration of services tends to occur at the programmatic level, between and among persons responsible for administering and implementing programs. While a single advisory committee and a unified plan for related programs can facilitate policy oversight and coordination, real connection of the state educational and job training systems is achieved by each having designated resources coupled with joint responsibility for performance.

THE NEED FOR TARGETED JOB TRAINING AND PLACEMENT PROGRAMS FOR OLDER WORKERS

WRITTEN STATEMENT TO ACCOMPANY ORAL TESTIMONY
OF JULY 7, 1989

ON

H.R. 2039 - 1989 AMENDMENTS TO THE JOB TRAINING PARTNERSHIP ACT

BEFORE THE

EDUCATION AND LABOR COMMITTEE

U.S. HOUSE OF REPRESENTATIVES

HONORABLE AUGUSTUS F. HAWKINS, CHAIRMAN

Michael T. Tilles
Chairman
Northern California Forum on Older Workers

Sally E. James
Executive Director
Los Angeles Council on Careers for Older Americans

SEPTEMBER 1989

THE NEED FOR TARGETED JOB TRAINING AND PLACEMENT PROGRAMS FOR OLDER WORKERS

CHAIRMAN HAWKINS AND COMMITTEE MEMBERS:

We appreciate this opportunity to provide the Committee with our written statement in support of the oral testimony given before the Committee on July 7, 1989, by Michael Tilles. This opportunity is particularly important because older workers and older worker programs have not been highly visible. Older workers were not visible under the JTPA predecessor, CETA, because older workers were subsumed and consequently under-served within the adult programs.

They are seldom visible today because older worker programs have low priority within the current JTPA structure. Local Service Delivery Areas (SDAs) concentrate their efforts on the mainstream 78% adult programs. That is where they receive most of their funding and devote most of their time and energy.

That older workers are served at all is only because Congress mandated that 3% of JTPA funds be targeted for their needs. H.R. 2039 recommends many improvements for JTPA, yet we fear that without mandating specific levels of service or maintaining the 3% targeted programs, SDAs will give older workers even less priority, and older worker program services will cease to exist.

For this statement, we focus on three major issues and offer our recommendations for consideration during the debate on the Amendments to the Job Training Partnership Act of 1989:

I. Unique barriers and services for older workers

II. Program and cost effectiveness

III. National policy and the aging work force

IV. Recommendations

I. UNIQUE BARRIERS AND SERVICES FOR OLDER WORKERS

There is a perception that older worker programs have not functioned well. During the start-up in early 1984 and program year 1984 - 1985, this perception was correct. It should not be surprising given that there were no trained staff meeting the unique needs of this group.

The reason that so many programs did so poorly is that initially we modeled our services after 78% programs designed for adults who were typically 22 - 40 years old. But we learned that recruitment, counseling, training and job development for older workers must differ from the services provided by 78% programs.

RECRUITMENT

Older workers will not be found in the same places and doing the same things as twenty-five year olds. Nor will an outreach message directed to the typical 78% participant appeal to the average older worker.

INTAKE

Older workers are not accustomed to what they perceive as invasive personal questions that must be asked for JTPA enrollment. Therefore, the process of interviewing and intake must be modified from that utilized by many 78% programs. Often intake workers for 78% programs have little experience in dealing with applicants who are significantly older than they are. Intake workers lack the training and sensitivity to understand what an unemployed worker over 54 years old is experiencing: anxiety about competing with younger workers, fear of age discrimination, fear of being "out of date", as well as the normal combination of hurt and frustration about being unemployed.

Those now serving older workers in 3% programs have developed their recruitment and intake procedures to address the barriers which differentiate older workers from other JTPA participants.

COUNSELING

Both assessment and counseling for a 3% program are significantly different than for 78% programs. By virtue of their life experiences, older workers bring a wealth of competencies and skills which must be viewed as integral elements in developing an employability plan. An ability to assist older workers in recognizing the transferability of their skills is critical for 3% services. This assessment ability is less vital for work with 78% participants who have little or no work history.

A counselor must be able to assist the older worker in dealing with many psychological problems which confront each of us as we age such as changing values and new perceptions of self. Older workers confront these and other concerns which rise in importance as we age, such as need for health insurance, loss of a spouse, concern for retirement, decline of physical stamina. The staffs of 78% programs have not been trained to provide the specialized counseling that older workers require.

TRAINING AND RETRAINING

Because most 3% programs attempt to capitalize on the skills that older workers possess, training for older workers should be different than that for 78% participants. More of the training time should be spent in assisting older workers in learning to transfer their skills to meet current labor market needs.

When basic skill training is required, the methodology utilized must differ significantly from a traditional classroom setting. Research shows that we learn differently as we age, but many 78% programs have not utilized this knowledge.(Botwinick, 1978) As a result, older workers are perceived by 78% staff to be poor students, not profiting from classroom training, when in reality the fault lies not with the older students, but rather with the methodology and curriculum. The 3% service providers have recognized these issues and adapted their training accordingly, which, in turn, have resulted in more successful programs.

JOB DEVELOPMENT

Job development and placement services must also be different. Older workers have unique barriers to employment, the foremost of which is age discrimination. Job developers must be trained to overcome this barrier, and related ones, which confront older workers. For example, unless they are appropriately trained, staff will not be aware that many older workers have seldom had to competitively interview for jobs, and therefore are at a significant disadvantage during the interview process. This often "dates" workers for the interviewer, leading to a subtle form of age discrimination.

Because many older workers began their employment careers under very different labor market environments, they need significant help from job developers sensitive to their needs and histories. Similarly, job developers need training to communicate the value of older workers to employers and to focus on their clients' experience, maturity and dependability.

Older worker programs reach the hard to serve, the most needy. The 3% programs have no 10 percent window; all clients are economically disadvantaged. Older worker programs reach those struggling to survive on meager social security benefits. They are caught in a double bind of needing more income and fearful of exceeding the social security earned income limit. For this reason, many seek part time jobs. Many older workers have basic literacy skills; their employment problems include

out-dated skills rather than lack of basic education.

II. COST AND PROGRAM EFFECTIVENESS

COST EFFECTIVENESS

Rather than under-spending, in 1986 States spent 111% of their annual 3% allocation, and in 1987, States spent 124% of their allocation. Carry-over of funds today does not reflect the results of current efforts, but rather under-spending from the difficult initial years. (See Table I.)

We are concerned that much of the Congressional decision making about 3% is based on out-dated and incomplete information from the Department of Labor: data which emphasizes poor performance in the start-up years and de-emphasizes the excellent performance of the most recent years. For example, while it is true that $30 million dollars available to older worker programs during program year 1987 went un-spent, that figure distorts the fact that 3% service providers expended $13 million above the annual $54.5 million allocation.

If service/expenditures remain at a constant rate, we will have totally exhausted previous carry-over funds by program year 1990, the year in which these amendments are proposed to take place.

The experiences in California are a case in point. Rather, than under-spending, we are exceeding our placement goals and our funding allocations. In Alameda County, we expended the available 3% funds, asked for and were granted supplemental funds from the State. In the City of Los Angeles, we exhausted our 3% funds, including all excess carry-over from previous years, and the SDA allocated additional funds from under-expended 78% money.

"MAINSTREAMING" IN 78% PROGRAMS

Programs for adults funded by 78% funds have a dismal record of service to those 55 and older. Their outreach, training, and job development programs have failed to attract or serve the unique needs of the mature job seeker. We believe the 78% service providers' priorities and programs preclude effective service for this group. For example, during program year 1987 - 1988, the small 3% program assisted 41,927 clients age 55+, which was 72% of the total 58,134 older workers served nationwide by JTPA Title II A. Similarly, in California, 2986 (73%) of all JTPA Title IIA clients 55 years old and older were served by the tiny 3% program.

Only 2% of the 78% enrollees nationwide were 55 and older. In California, only 1.9% of the clients in 78% programs were 55+; in Los Angeles City, only 1.3% of the adult program clients were 55+, in spite of the fact that the Los Angeles SDA made a special effort to encourage the enrollment of all adults, regardless of age, in their 78% programs, and in spite of the fact that the U.S. Census identified 18.75% of the JTPA eligible population in Los Angeles as over 55. In Alameda County, 78% programs had fewer than 2% of their clients 55+. (See Table II)

Some have argued that 78% programs do not serve older workers because of the existence of the 3% set aside. As we stated earlier, however, "mainstreaming" older workers into existing adult programs is doomed to fail because these programs are

geared to serve a much younger and a much different clientele. Because the potential client base for JTPA far exceeds the available funding, it is not in the best interest of 78% programs to re-train staff to serve older workers. Even the most altruistic program manager would not consider it fiscally prudent to convert 5-15% of his program for a new constituency.

DIFFERENT PROGRAM MODELS: URBAN AND RURAL

In many communities, it is simply not cost effective for local SDAs to have a separate program for older workers where the target older population is small. In these areas, the unique needs of older workers have often been met through regional or statewide coordination of older worker 3% programs.

In Michigan, one consolidated State funded 3% program serves older workers in 26 separate SDAs. The amendment proposed to operate older worker services at the SDA level would totally fragment this exemplary effort. In several rural States such as Arkansas and Vermont, the programs have been effective as statewide efforts. (See Attachment A - A Statewide Older Worker Program: Arkansas).

It has taken several years of trial and error to build these programs into the efficient services they are today. To dismantle them by administering them through local SDAs would be a waste of well-trained, specialized resources.

III. NATIONAL POLICY AND THE AGING WORK FORCE

Older worker programs would seem to be one of Congress' best

efforts at planning for the future. We are mystified by the Administration's and Congress' attempt to move older workers back to anonymity at the very time when government reports and business leadership are acknowledging the aging of our work. As the number of young workers entering the labor market shrinks, older workers will become the fastest growing source of labor. (See especially, Workforce 2000 and Older Worker Policy Issues, DOL, 1988 and 1989.) With the rapid advancements in technology, older worker skills are fast becoming obsolete. With the re-training offered by 3% programs, older workers become an increasingly valuable resource.

We recognize that the proposed language of H.B. 2039 requires SDAs "to make special efforts to identify and serve on an equitable basis a number of individuals 55 years of age or older". But this language is insufficient. Just as the amendments improve the targeting for our youth, similar specific goals must be mandated to target the older workers. Based on past experience such as that with CETA, and current experience with 78% performance, service to older workers simply will not occur, unless a targeted program is mandated.

Finally, it should be noted that JTPA is our major national policy statement about employment. As such it should contain recognition of the aging work force, the need to identify and adopt new strategies for the changing demographics, and the need to "reconsider traditional methods of recruiting, training/re-training and managing older workers" (See Report of the Secretary of Labor, Older Workers Task Force: Key Policy Issues).

Putting total emphasis on the youth initiatives, diminishes

recognition of the other end of the work force at the very time it is growing in size and need for service.

VI. RECOMMENDATIONS

Based on our knowledge of and perceptions about the unique needs of older workers, we recommend the following for consideration.

A. Retain targeted older worker programs with allowances for differences in urban and rural service needs.

B. Mandate performance standards specifically for older workers which allow for their unique employment needs and experiences

*Counseling and JSA versus classroom training

*Part time as well as full time work options

*Retraining as well as literacy and basic skills

C. Funding which recognizes that appropriate training related services are as valuable and necessary for older workers as long term classroom training is for younger job seekers.

Michael Tilles, director of employment and training programs for Catholic Charities, Diocese of Oakland, California, is Chairman of the Northern California Forum on Older Workers. The forum addresses concerns of the older worker service provider community and includes public and private representation from 11 counties: Alameda, Contra Costa, San Mateo, Santa Clara, San Francisco, Marin, Solano, Sacramento, San Joaquin, Sonoma, and Napa.

Sally H. James, executive director of the Los Angeles Council on Careers for Older Americans, coordinates a network of 57 independent public and private offices in southern California which provide services for older workers; 20 of the network offices receive JTPA 3% funds and 14 utilize Title V, Older Americans Act funds.

TABLE I

JTPA OLDER WORKERS JOB TRAINING PROGRAMS NATIONWIDE
ESTIMATED 3% EXPENDITURES AND PROJECTED EXPENDITURES

PROGRAM YEARS 1984 - 1990*

(In millions)

Program Year	Allotment	Available	Expend	% of Allot.	% of Avail
Transition 84 9 mos.	$42.3	$42.3	$12.3	29%	29%
FY 84-85	55.9	85.3	38.4	67%	45%
FY 85-86	55.9	103.7	52.9	95%	51%
FY 86-87	53.9	103.1	59.8	111%	58%
FY 87-88	54.5	97.6	67.6	124%	69%
FY 88-89**	55.5	85.7	74.6	134%	87%
FY 89-90**	55.5	66.6	81.6	147%	122%

* Precise figures on expenditures and available carry over funds are difficult to obtain. The U.S. Department of Labor is unable to provide complete data for the start up program and Program Year 1984-85; data was inconsistent for Program Years 1985 - 1988. This table is our best effort to compile data obtained from the U. S. Department of Labor, the National Governors Association, the State of California and several local service providers. Inconsistencies among "allotment", "available", and expenditure percents may be due to the exclusion of Alaska, New Mexico and the Territories from some of the program year totals.

** Projections for Program Years 1989 and 1990 are based on a conservative assumption of program service and expenditures at an annual 10% growth. Such growth could not occur unless supplemental funds are allocated by JTPA and/or other funding sources.

TABLE II

JTPA OLDER WORKERS TITLE IIA 78% AND 3 % TERMINATIONS

PROGRAM YEAR 1987 - 1988

TERMINATIONS BY PROGRAMS	ALL	CALIF.	LOS ANGELES CITY
TITLE II A, 78%	817,698	59,196	12,308*
AGE 55+	16,207	1,124	160*
% 55+	2%	1.9%	1.3%
TITLE II A, 3%	41,927	2,986	413
TITLE IIA, 78% & 3% AGE 55+	58,134	4,110	573
% ALL 55+ IN 3% PROGRAMS	72%	73%	72%

SOURCES: Estimates from U.S. Department of Labor, State of California JTPD Office, City of Los Angeles Training and Job Development Division, Community Development Department

* Estimates for total city of Los Angeles 78% clients projected from percents provided by the city.

ATTACHMENT A

A STATEWIDE OLDER WORKER PROGRAM: ARKANSAS

Millie is an attractive, pert 72-year-old single woman. She is always well-dressed and very personable. Millie works as a data clerk with us at Arkansas ABLE.

Arkansas ABLE (Abilities Based on Long Experience) is a not-for-profit agency that helps Arkansans 55 years of age and older get jobs. Arkansas ABLE administers the statewide Job Training Partnership Act (JTPA) 3% Set Aside for Older Workers and has since JTPA began in 1983.

Millie has worked at ABLE for three years. We hired her through the JTPA 3% Set Aside. Millie has lived alone since her husband left her 25 years ago. She has no children and is the sole support for herself. She works for ABLE parttime and earns $5.62 cents per hour.

Millie is typical of the 4,083 older Arkansans who have gotten jobs through the 3% Set Aside since the program began in 1983. More than 83 percent are women, many widowed and divorced, 40% of whom have been unemployed at least one year. Millie's work ethic is also typical of our clients. She has only been sick two days in the three years she has worked with us. She is a serious worker, always looking for things to

do when her own work is finished. She is a "giver" and brings cookies and a cheerful personality to our office. She is accurate, dependable, considerate, and dedicated to doing her best job. What more could an employer want?

If it hadn't been for the 3% Set Aside, Millie would probably still be unemployed. Had she gone to the local Service Delivery Area for help, they probably would not have worked with her. First of all, she didn't need any occupational training. She has more than 35 years' experience in office work. The local SDA has a mandate to enroll a certain percentage of their participants into occupational training. Second, Millie only wanted to work part-time because she cannot take the stress of a full time job. The SDA doesn't recognize part-time work as legitimate. Third, Millie would have gotten lost in the SDA process of going to three different locations to be certified, enrolled, trained, and finally placed. Six of our Job Club clients did. We sent them over to be certified and they never came back. Many older people are insecure enough as it is about their ability to work without being further intimidated by the "beaucratic shuffle". Finally, Millie probably would not have been helped by the local SDA because last year they only worked with 3 older people, 1.0% of the total number of JTPA persons they worked with (even though the eligible population of 55+ in this SDA is 11.1%).

H.R. 2039 proposes to eliminate the 3% Set Aside for Older Workers. Although the bill includes "strong recommendations" that the local Service Delivery Areas serve older workers, we know from years of previous manpower programs that this age group does not get served when mainstreamed into regular employment and training programs.

Arkansas ABLE began in May 1982 with a CETA grant for $46,000. From the beginning, we established a statewide delivery system by subcontracting through our state's eight Area Agencies on Aging. Each year, we have exceeded our planned placement goals. And, each year, since 1986, we have spent nearly 100% of our total available dollars (including carryover). ABLE has received regional awards from the Department of Labor for the past three years the awards have been presented. This year we were recognized for our efforts with linkages and coordination. In 1988, ABLE received one of ten JTPA Presidential Awards and in October of this year we will be recognized by the National Alliance of Business as one of ten Distinguished Adult Programs in the United States.

Don't tell us the 3% Set Aside for Older Workers doesn't work. We know it does work. And it works because of a statewide delivery system which insures uniform standards and delivery methods, on-going training and research concerning older workers, agencies and staff who are dedicated to the older human being and recognize the unique needs of this age

group, and because the sole focus is on the older worker. Besides, 77 percent of our Older Worker staff are themselves older workers, so they have the empathy and first-hand experience of looking for jobs as older job seekers.

Arkansas ABLE appreciates Congressman Hawkins' concern with maximum utilization of federal dollars and the critical need of so many groups for such few funds. But, we implore the Congressman to re-examine his proposal to eliminate the Set Aside for Older Workers. Instead of "throwing the baby out with the bathwater," good fiscal management dictates that the Congressman and the Subcommittee on Employment and Training look at delivery system models across the country that do work and insist that states that are not succeeding with their older worker programs replicate these models. Arkansas is an excellent example. So are Vermont and Louisiana, both of which have statewide delivery systems similar to ours.

In states where large cities dominate and where demographics and geography prohibit a tightly-knit statewide system, the networking model from which Arkansas ABLE is fashioned is an award-winning and successful older worker program model, one which is utilized by some of the best older worker programs in the country. Attached as part of this testimony is a booklet describing this model.

America's supply of workers is fast dwindling. And the traditional group to whom we look to supply new labor, those 16 - 24 years of age, is not only getting smaller, but is less prepared to enter the labor market. It is indeed important to concentrate energy and resources on this deficit population. However, such work takes years to succeed. In the short-term, it is vital to continue the 3% Set Aside program for older workers, to continue to keep the labor force productive until these younger workers are adequately prepared to come on board.